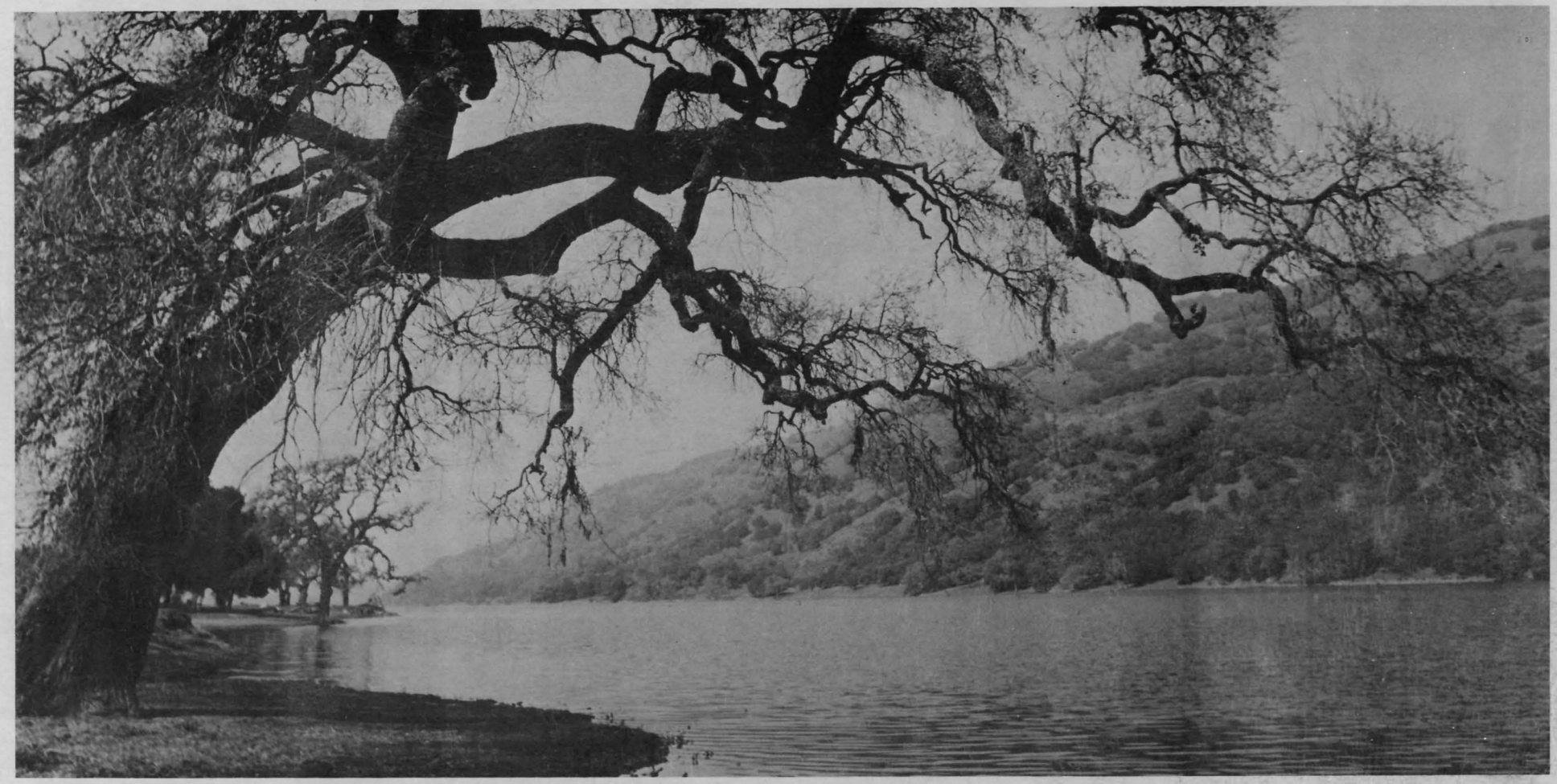
FINAL BUDGET
1986-87



Santa Clara Valley Water District

1.5.47
86-87

PROPERTY OF SANTA CLARA VALLEY
WATER DISTRICT
5750 Almaden Expressway
San Jose, California 95118

1.5.47
86-87 -2

HD1695S383B82 1986/87 c.1

SUBMITTED BY: *John T. O'Halloran*
General Manager

BOARD OF DIRECTORS
Patrick T. Ferraro, Chairman

Joe Donohue
Robert W. Gross
Joe Judge
James J. Lenihan
Joe Pandit
Sig Sanchez

June 17, 1986

Honorable Board of Supervisors
County of Santa Clara
County Government Center, East Wing
70 West Hedding Street
San Jose, CA 95110

Dear Members of the Board:

The Requested Santa Clara Valley Water District Budget for fiscal year 1986-87 is hereby transmitted to the Board of Supervisors for consideration. Organization of the Budget document remains essentially the same as we have utilized in recent years. This budget is responsive to the challenges facing the District in 1986-87 and is formulated to accomplish stated objectives in flood control, water utility and general operations at minimum public cost. Expansion of the District's water utility system, coupled with operational responsibility for the multi-county San Felipe Division, Central Valley Project facilities, imposes significant impacts on the forthcoming budget. Requested expenditure appropriations are approximately 18.5% less than the 1986 Budget as the primary result of contracts approved for the Santa Teresa Water Treatment Plant and the Snell Pipeline. However, additional personnel will be required to operate these new facilities and the San Felipe Project.

Proposed flood control planning, construction and maintenance programs for 1986-87 are again based on priorities approved by the various Flood Control Zone Advisory Committees. Funding in the South Zone continues to be very limited and primarily dependent on Federal Programs, subventions from State agencies and a $2.2 million loan from the District cost center to provide necessary local assistance to the Federal Soil Conservation Service for continuation of work on Llagas Creek, P. L. 566.

Maintenance was performed at a very high level during 1985-86 to minimize and repair flood damage resulting from winter storms. Also, additional work was required in cooperation with other local agencies to repair damage caused by the Lexington watershed fire.

The Board authorized the sale of $30 million in water revenue bonds in November 1985. This along with other funds on hand, provided the financial capacity to advertise bids for construction of the Santa Teresa Water Treatment Plant and Phase I of the Snell Pipeline, approximating a combined cost of $63 million. The modifications to Anderson Dam and spillway will be made in this fiscal year to comply with the requirements of the State Division of Safety of Dams. Construction of the Calero Pipeline will be started in the spring of 1987, providing the connection between the Cross Valley Pipeline and the Almaden

Valley Pipeline. Funds have been included in this budget to purchase equipment to mechanically dewater sludge produced at both of the existing treatment plants. Funds are also provided to replace chemical feed systems at the Rinconada Plant which have become obsolete since the original installation approximately 15 years ago. Also, final plans and specifications will be completed for Phase II of the Snell Pipeline, a project which will convey treated water from the Santa Teresa Water Treatment Plant to the District's East Pipeline.

To finance the continuing operation, maintenance and improvements of the Water Distribution System, the 1986-87 budget reflects an increase in the basic user rates of $5.00 per acre-foot for municipal and industrial use and $1.25 per acre-foot for agricultural use. This increase in user rates was recommended by the District's Water Commission, the Agricultural Water Advisory Committee and the District's Retail Water Agencies. It was adopted by the Board to be effective July 1, 1986. Also, in accordance with District policy, an ad valorem tax on real property will be levied under Article XIIIA, Section 1(b) of the California Constitution to meet a portion of the District's State Water Project contract obligations.

More detailed information on the requests in this budget will be found in narrative form preceding each section.

Sincerely,

Patrick T. Ferraro
Chairman

S4L5505d

SANTA CLARA VALLEY WATER DISTRICT
1986-87

CONTENTS

	Page
GENERAL INFORMATION	1
BUDGETING PROCESS	1
MAJOR PROJECTS PROPOSED FOR 1986-87	2
OTHER	4
DISTRICT SALARIES AND STAFFING	5
COMPARATIVE BUDGET - REVENUE	8
COMPARATIVE BUDGET - OUTLAY	9
REVENUE SUMMARY	10
OUTLAY SUMMARY	11
RESERVE APPROPRIATIONS	11a
STATUS OF BONDED INDEBTEDNESS	12
FLOOD CONTROL ZONES	
Northwest Zone	13
North Central Zone	18
Central Zone	22
East Zone	27
South Zone	32
WATER UTILITY	36
Source of Supply	42
Raw Water Transmission and Distribution	46
Water Treatment	50
Treated Water Transmission and Distribution	53
Administration and General	57

CONTENTS (Cont)

	Page
DISTRICT COST CENTER	61
Governmental Program Projects	62
Fixed Assets	63
Administration Program Projects	68
Services and Supplies	70
SERVICE FUND	
Equipment Working Capital Fund	75

GENERAL INFORMATION

To finance its activities, the District has been divided into zones of benefit. Five of these zones support flood control activities. The boundary of each zone is described at the beginning of its Budget Summary. Other zones have been established for District administration and to provide financing for the conservation, distribution, reclamation, hydroelectric generation, and treatment of local and imported water.

Ad valorem tax allocations from the Countywide property tax and benefit assessment revenues finance the expenditures of each Flood Control Zone. The expenditures within each zone for all programs are presented on the program summary sheets within each zone budget.

Budgeting for the Water Utility is accomplished on an enterprise fund basis. Water supply activities are partially financed by an allocation of the Countywide tax to pay for the cost of import facilities and for the recreational benefits derived from the District's reservoirs. The major sources of water supply income are a charge levied on all groundwater extracted within Zone W-2 of the District and from the sale of treated water. Other sources of revenue result from a tax allocation to Zones W-3 and W-4, from the sale of surface-delivered untreated water, and reclaimed water.

The District receives a small Countywide administration tax allocation to purchase fixed assets such as office equipment and to fund general governmental costs required in the overall operation of the District.

BUDGETING PROCESS

The budget is prepared as a cooperative effort by all organizational units and reviewed by a Budget Committee. Responsibility is established for every project in each program. Each work effort is defined by Project Coordinators and each participating organizational unit budgets the items necessary for its successful completion.

Each activity of the District can be related to one of several financial accounting units known as "cost centers". Within each cost center, subgroupings of related activities are determined and called programs; an analysis of the major programs would show the following allocation of activities:

PLANNING — includes all labor and contractual services on projects up to the final design activity which is included in the Construction Program. Planning includes all planned studies, the preparation of hearing plans, and certain special studies.

CONSTRUCTION — includes all labor, use or purchase of equipment and contractual services which result in the completion of a project, a substantial improvement to the life or value of a physical project or the acquisition of a new physical asset.

MAINTENANCE — includes all work performed on District projects, facilities or equipment which result in maintaining constructed works or equipment in operating condition.

OPERATIONS includes all work performed in the release, diversion, treatment, reclamation or transportation of water in or through channels or pipelines, ongoing application of District ordinances and land ownership management.

ADMINISTRATION includes all labor and contractual services required in the administration of a cost center. The apportionment of insurance premiums is also included in this program. The District intends to develop a self-insured plan by establishing a reasonable retention and insuring excess losses.

MAJOR PROJECTS PROPOSED FOR 1986-87

This section will highlight the major projects proposed for 1986-87. It should be noted, however, that all projects in the Planning and Construction Programs are explained in the respective cost center. Included at the end of each section is a listing of each project showing the amount budgeted for each program.

PLANNING Work within this program provides coordinated studies and planning activities to support the needs of the cost center. Also included in this program is labor to support the Planning Program for surveying, right of way engineering, and technical services. Major planning studies for the 1986-87 fiscal year are:

Cost Center	Project Title	Page No.	Cost
Allocated	Waterways Planning Study - Phase I	14,19,23,28,33	$81,548
Northwest	Matadero Creek	14	162,888
Northwest	Permanente Creek	14	39,493
North Central	Calabazas Creek	19	230,210
Central	Guadalupe River	23	358,870
Source of Supply	Saltwater Intrusion Study	42	44,377
Source of Supply	Coyote Dam & Reservoir	43	26,201
Source of Supply	Lexington Dam & Reservoir	43	30,622
Water Treatment	Study of Trihalomethanes	50	271,120
Treated Water T&D	Mountain View Distributary	53	113,376
Treated Water T&D	Milpitas Pipeline	53	132,376
Admin. & General	Study of Laboratory Needs	57	113,498
Admin. & General	Financial and Cash Flow Study	57	137,257
Admin. & General	Annual Wtr. Supply Balance	57	31,681
Admin. & General	Water Resources Master Planning	58	450,699
Admin. & General	Water Quality Studies	58	366,660

CONSTRUCTION

The capital improvements budgets include the following major improvements to be initiated or completed in 1986-87. Details may be reviewed within the individual cost center texts.

Cost Center	Project Title	Page No.	Cost
Allocated	Facility Maintenance Std. Alloc'd.	15,19,23,29,46,50	$481,738
Allocated	Control System Upgrade	51,54	1,106,381
Northwest	Adobe Creek	15	1,027,061
Northwest	Stevens Creek	15	247,517
Northwest	Palo Alto Flood Basin	15	713,075
North Central	Saratoga Creek	20	2,052,630
Central	Guadalupe River	24	25,004,199
Central	Lower Coyote Creek	24	2,968,372
East	Coyote Creek	29	6,709,952
East	Silver Creek Lower	29	671,194
East	Penitencia Creek Lower	29	357,201
South	Uvas - Carnadero Creek	33	470,690
South	Lower Llagas Creek Watershed Project	34	1,460,032
Source of Supply	Anderson Dam & Reservoir	44	3,669,385
Source of Supply	Guadalupe Dam & Reservoir	44	109,001
Raw Water T&D	Central Pipeline	47	820,057
Raw Water T&D	Meter Test Facility	47	333,536
Raw Water T&D	Almaden Valley Pipeline	47	240,475
Raw Water T&D	Calero Pipeline	47	6,139,100
Raw Water T&D	Control System - Raw Water	47	1,463,220
Raw Water T&D	Coyote - Alamitos Canal	47	1,409,460
Raw Water T&D	Main Avenue Percolation System	47	540,761
Raw Water T&D	Santa Teresa Force Main	47	245,580
Raw Water T&D	Maple Avenue Recharge Facility	48	260,840
Water Treatment	Penitencia Water Treatment Plant	50	1,664,231
Water Treatment	Santa Teresa Water Treatment Plant	51	358,481
Water Treatment	Rinconada Water Treatment Plant	51	3,016,684
Treated Water T&D	Santa Teresa Tunnel	54	176,217
Treated Water T&D	Snell Pipeline	54	13,227,942
Admin. & General	Kirk/Page Hydrogeneration System	58	265,671
Admin. & General	Anderson Hydrogeneration System	58	2,274,959

MAINTENANCE & OPERATIONS

Projects within these programs provide for the operations and maintenance of all facilities and equipment for the Flood Control Zones and Water Utility Enterprise.

ADMINISTRATION Work within this program provides a focal point to capture administrative support including District labor and contractual services which benefit the entire cost center and are not allocable to any individual project. The cost of administering the billing of benefit assessment revenue is allocated to each flood control zone. Included are costs for insurance and a general cost center support project.

OTHER

ALLOCATED A project has been created to provide identification of possible land sites which may be developed as disposal sites for excess materials resulting from District maintenance and operations activities. The costs are allocated to all five flood control zones and the Raw Water T&D, Water Treatment and Treated Water T&D Cost Centers of the Water Utility.

DISTRICT SALARIES AND STAFFING

The following presents a comparison of actual salaries for fiscal year 1984-85, those approved in fiscal year 1985-86, and those requested for fiscal year 1986-87.

	Actual 1984-85	Approved 1985-86	Requested 1986-87	Final 1986-87
Permanent Position Salaries	$9,513,286	10,634,629	11,806,014	12,372,403
Overtime Salaries	232,292	384,697	454,041	476,730
Total	$9,745,578	11,019,326	12,260,055	12,849,133

The following presents a comparison of the District staff for the previous year, current year and that requested for the new fiscal year. Salaries for temporary employees are being administered by employment agencies.

	1984-85	1985-86	New Position Requests	1986-87 Planned Staffing
General Manager	9	12	1	13
Clerk of the Board	13	13	1	14
Finance	44	32	2	34
Water Supply	37	46	1	47
Flood Control	71	71	2	73
Operations and Maintenance	129	151	21	172
Total Authorized Positions	303	325	28 (a)	353 (b)

(a) New Positions requested:

The General Manager's Unit Requests:

1 Senior Personnel Analyst is budgeted for the General Manager's Unit to meet and administer work resulting from additions to total District Staff, new programs and mandated systems required by Federal and State agencies.

The Clerk of the Board Unit Requests:

1 Board Clerk for the Board and Committees' Division to meet the increased work load due to plans and specifications, agreements, insurance processing and to reduce the amount of overtime required to produce the weekly agenda packages and processing of the Board papers.

The Finance Unit Requests:

1 Senior Water Revenue Technician is budgeted for the Water Revenue Division to perform office functions related to the well construction and destruction program.

1 Senior Water Revenue Technician is budgeted for the Water Revenue Division to perform well registration functions in Zone W-5 as recommended in the Water Utility Enterprise Report.

The Water Supply Unit Request:

1 Engineering Technician I for the Water Distribution Design Division to perform a comprehensive update of As-Built drawings.

The Flood Control Unit Requests:

1 Senior Construction Inspector is budgeted for the Construction Division to meet the demands of inspecting new District projects, changes to existing projects and to provide more efficient supervision of the Construction Division.

1 Construction Inspector is budgeted for the Construction Division to meet the demands of inspecting new District projects and major changes to existing projects.

The Operations and Maintenance Unit Requests:

1 Maintenance Worker I/II is budgeted for the Maintenance Division as recommended in the O & M organization study to meet the workload related to new water utility facilities brought into service recently and additional services that will be added this year.

1 Electrician is budgeted for the Maintenance Division to perform electrical work at the new treatment plant and other facilities which are being added.

1 Plant Equipment Mechanic is budgeted for the Maintenance Division recommended in the O & M organization study and to perform the mechanic work required at the pumping plants, pipelines and other proposed installations.

1 Storekeeper I/II is budgeted for the Maintenance Division to receive, issue and store materials, supplies, etc. for the San Felipe project.

1 Maintenance Records Clerk I/II is budgeted for the Maintenance Division to perform the required clerical functions in support of the Maintenance Management System. This was a recommended position in the O & M organization study.

1 Control System Technician is budgeted for the Maintenance Division as recommended in the O & M organization study to handle the additional workload of the new water utility facilities.

1 Receptionist is budgeted for the Maintenance Division to work in the new Maintenance building directing people to proper locations in the new facility and increased citizens activities.

1 Maintenance Planner I/II is budgeted for the Maintenance Division to handle the additional work load related to District and private section improvement projects and to coordinate the maintenance program with other engineering organization's programs and to perform engineering analyses to determine various maintenance requirements.

5 System Operators are budgeted for the Operations Division which are related to the addition of the San Felipe Project.

5 Pump Plant Operators are budgeted for the Operations Division to staff the San Felipe Pumping Plant.

1 Associate Electrical Engineer is budgeted for the Technical Services Division to provide general electrical support to the Operators and Maintenance personnel working in the treatment plants and on the San Felipe Project.

2 Water Resource Technician I/II's are budgeted for the Technical Services Division to carry out well registration in Zone W-5 in preparation for instituting the additional groundwater charge program in South County.

28

(b) 325 (+) 28 requested = 353.

SANTA CLARA VALLEY WATER DISTRICT
COMPARATIVE BUDGET

REVENUE

	Actual 1984-85	Approved 1985-86	Requested 1986-87	Final 1986-87
Balance Beginning of Year	$121,058,124	121,338,281	97,480,608	99,047,302
Revenue Sources				
Property Taxes				
Local Secured	16,177,356	20,427,354	22,480,499	21,346,364
Local Unsecured	1,646,947	2,133,180	2,622,217	2,475,272
Delinquent	929,640	1,131,500	1,062,550	1,236,684
State Subventions	496,481		440,123	1,337,894
Interest	11,828,687	9,252,000	8,365,000	9,201,500
Agreements & Advances				
City of Palo Alto		135,000	100,000	100,000
District Loan	1,268,311	684,765	2,200,000	2,200,000
Property Rentals	314,102	343,178	591,290	591,290
Dept. of Water Resources Reimb.	1,740,146	861,750	2,200,000	2,200,000
City of Gilroy	48,075	53,000	50,376	50,376
Gavilan Water Conservation District	30,393	33,000	33,118	33,118
City of San Jose	289,900	5,000		
Grants	136,644			
Loma Prieta Resource Conservation District	1,000	500	500	500
E.P.A. - Toxic Spills			200,000	200,000
San Jose Water Co.			998,000	998,000
State of California	104,150			
Sale of Bonds				
Groundwater Charges	14,340,733	16,014,247	16,123,221	16,123,221
Surface Water Charges	145,267	103,000	124,000	124,000
Treated Water Charges	12,238,132	12,690,809	14,120,000	14,120,000
Reclaimed Water Charges	12,351	13,500	2,000	2,000
Sale of Assets	487,661	32,500	30,000	30,000
Assessment	7,609,401	7,380,000	7,733,000	7,825,000
Miscellaneous	93,578	183,800	178,300	178,300
Total Revenue	69,938,955	71,478,083	79,654,194	80,373,519
Inter-Fund Adjustments	919,674	971,228	1,128,801	1,102,866
Total	$191,916,753	193,787,592	178,263,603	180,523,687

SANTA CLARA VALLEY WATER DISTRICT
COMPARATIVE BUDGET

OUTLAY

	Actual 1984-85	Approved 1985-86	Requested 1986-87	Final 1986-87
District Labor & Overhead	$ 13,572,207	15,872,212	19,521,227	19,436,506
Contract Services	17,454,945	123,791,069	85,969,280	89,331,418
Land & Structures	15,627,858	8,138,012	4,941,835	5,139,838
Equipment	822,735	2,713,166	5,307,388	5,413,888
Subtotal	47,477,745	150,514,459	115,739,730	119,321,650
Loans				
District	1,268,311	684,765	2,200,000	2,200,000
Other	62,500			
Debt Service	8,524,879	9,105,448	12,316,945	12,316,945
Inter-Fund Adjustment	1,155,620	971,228	1,127,838	1,102,866
Total Expenditures	58,489,055	161,275,900	131,384,513	134,941,461
Reserve Appropriations		32,511,692	46,879,090	45,582,226
Total Appropriated	58,489,055	193,787,592	178,263,603	180,523,687
Balance End of Year	133,427,698			
Total	$191,916,753	193,787,592	178,263,603	180,523,687

SANTA CLARA VALLEY WATER DISTRICT
DETAIL OF BUDGET 1986-87

REVENUE SUMMARY

	FLOOD CONTROL ZONES					WATER	DISTRICT	EQUIP. WORK	TOTAL
	Northwest	No. Central	Central	East	South	UTILITY		CAP. FUND	
Balance Beginning of Year	$1,684,986	1,632,782	24,687,556	5,466,043	0	61,777,905	2,855,905	942,125	99,047,302
Revenue Sources									
Property Taxes									
Local Secured	1,301,055	1,793,941	1,767,226	1,771,900	281,541	13,441,467	989,234		21,346,364
Local Unsecured	208,456	292,605	349,499	332,724	48,554	1,068,918	174,516		2,475,272
Delinquent	68,599	112,243	135,616	118,048	17,137	720,623	64,418		1,236,684
State Subventions	92,803	130,821	156,638	146,483	22,128	711,170	77,851		1,337,894
Interest	84,040	129,360	1,459,920	357,940		6,865,320	240,240	64,680	9,201,500
Agreements & Advances:									
City of Palo Alto	100,000								100,000
District Loan					2,200,000				2,200,000
Property Rental	306,074	7,277	175,458	4,056	8,425	90,000			591,290
Dept. of Water Resources Reimb.							2,200,000		2,200,000
Gavilan Water Conservation District					5,000	28,118			33,118
Loma Prieta Resource Cons. Dist.					500				500
E. P. A. - Toxic Spills						200,000			200,000
City of Gilroy						50,376			50,376
San Jose Water Company						998,000			998,000
Groundwater Charges						16,123,221			16,123,221
Surface Water Charges						124,000			124,000
Treated Water Charges						14,120,000			14,120,000
Reclaimed Water Sales						2,000			2,000
Sales of Assets								30,000	30,000
Assessment	1,235,000	2,075,000	2,345,000	1,800,000	370,000				7,825,000
Miscellaneous	4,000	1,000	12,700	2,600	2,000	96,000	60,000		178,300
Total Revenue	3,400,027	4,542,247	6,402,057	4,533,751	2,955,285	54,639,213	3,806,259	94,680	80,373,519
Inter-Fund Adjustment:									
Equipment Working Capital Fund								1,102,866	1,102,866
Land Use Review	(24,399)	(71,642)	(677)	(13,106)	109,824				
Total	$5,060,614	6,103,387	31,088,936	9,986,688	3,065,109	116,417,118	6,662,164	2,139,671	180,523,687

SANTA CLARA VALLEY WATER DISTRICT
DETAIL OF BUDGET 1986-87

OUTLAY SUMMARY

	FLOOD CONTROL ZONES					WATER		EQUIP. WORK	
	Northwest	No. Central	Central	East	South	UTILITY	DISTRICT	CAP. FUND	TOTAL
District Labor & Overhead	$1,320,521	1,446,738	1,973,823	867,485	1,079,995	11,700,976	564,668	482,300	19,436,506
Contract Services	2,226,290	2,614,638	26,923,526	7,889,828	782,353	47,883,893	580,900	429,990	89,331,418
Land & Structures	251,943	25,440	1,861,940	436,940	831,840	1,418,900	312,835		5,139,838
Equipment						4,148,100	888,238	377,550	5,413,888
Subtotal	3,798,754	4,086,816	30,759,289	9,194,253	2,694,188	65,151,869	2,346,641	1,289,840	119,321,650
Loans									
District							2,200,000		2,200,000
Debt Service	200,585	736,255				11,380,105			12,316,945
Inter-Fund Adjustment	96,904	137,823	120,096	133,789	78,962	443,005	37,907	54,380	1,102,866
Total Expenditures	4,096,243	4,960,894	30,879,385	9,328,042	2,773,150	76,974,979	4,584,548	1,344,220	134,941,461
Provisions For Reserves	964,371	1,142,493	209,551	658,646	291,959	39,442,139	2,077,616	795,451	45,582,226
Total Appropriated	5,060,614	6,103,387	31,088,936	9,986,688	3,065,109	116,417,118	6,662,164	2,139,671	180,523,687
Balance End of Year									
Total	$5,060,614	6,103,387	31,088,936	9,986,688	3,065,109	116,417,118	6,662,164	2,139,671	180,523,687

SANTA CLARA VALLEY WATER DISTRICT
DETAIL OF BUDGET 1986-87

PROVISIONS FOR RESERVES

	FLOOD CONTROL ZONES					WATER		EQUIP. WORK	
	Northwest	No. Central	Central	East	South	UTILITY	DISTRICT	CAP. FUND	TOTAL
Replacement Appropriation	$					3,500,000		745,451	4,245,451
Major Facilities Appropriation	954,371	1,132,493	109,551	648,646	290,959				3,136,020
In-County Distribution Sys. Approp.						34,942,139			34,942,139
Inter-Fund Loan Appropriation							1,977,616		1,977,616
Contingency Appropriation	10,000	10,000	100,000	10,000	1,000	1,000,000	100,000	50,000	1,281,000
	$964,371	1,142,493	209,551	658,646	291,959	39,442,139	2,077,616	795,451	45,582,226

STATUS OF BONDED INDEBTEDNESS

	Total Amount Sold	Date of Issue	Average Interest Rate	Outstanding as of 6/30/86	1986-87 Redemption Principal	1986-87 Redemption Interest	Total
Northwest Zone							
Series A	$ 2,625,000	1/1/57	3.466%	$ 225,000	100,000	6,390	106,390
Series B	2,304,000	7/1/58	3.330%	249,000	90,000	4,195	94,195
	4,929,000			474,000	190,000	10,585	200,585
North Central Zone							
Series A	4,000,000	1/1/64	3.383%	1,590,000	170,000	45,277	215,277
Series B	5,000,000	7/1/65	3.320%	2,160,000	200,000	61,673	261,673
Series C	3,750,000	8/1/73	5.492%	2,895,000	100,000	159,305	259,305
	12,750,000			6,645,000	470,000	266,255	736,255
Water Utility							
Series A	15,500,000	1/1/64	3.463%	8,500,000	390,000	300,703	690,703
Series B	14,200,000	6/1/66	3.885%	10,325,000	310,000	399,222	709,222
Series C	3,500,000	8/1/68	4.834%	2,700,000	70,000	128,378	198,378
Series D	8,850,000	3/1/72	5.285%	7,530,000	140,000	404,538	544,538
	42,050,000			29,055,000	910,000	1,232,841	2,142,841
Revenue Bonds							
Series B	21,000,000	4/1/80	9.447%	17,190,000	1,080,000	1,604,489	2,684,489
Series C	33,000,000	5/1/84	9.713%	32,780,000	155,000	3,184,769	3,339,769
Series D	30,000,000	12/1/85	8.370%	30,000,000	675,000	2,538,006	3,213,006
	84,000,000			79,970,000	1,910,000	7,327,264	9,237,264
Combined Total	$143,729,000			116,144,000	3,480,000	8,836,945	12,316,945

FLOOD CONTROL ZONES

NORTHWEST

NORTH CENTRAL

CENTRAL

EAST

SOUTH

NORTHWEST ZONE

Northwest Zone: February, 1986

REVENUE SUMMARY

	Actual 1984-85	Approved 1985-86	Requested 1986-87	Final 1986-87
Balance Beginning of Year	$4,527,998	2,650,140	1,091,095	1,684,986
Revenue Sources				
Property Taxes	1,311,041	1,410,537	1,557,768	1,646,514
Interest	317,150	184,000	76,400	84,040
Agreements and Advances	193,019	330,834	406,074	406,074
Assessment	1,240,147	1,175,000	1,211,000	1,235,000
Other	2,168	2,000	4,000	4,000
Total Revenue Sources	3,063,525	3,102,371	3,255,242	3,375,628
Total Available	$7,591,523	5,752,511	4,346,337	5,060,614

OUTLAY SUMMARY

	Actual 1984-85	Approved 1985-86	Requested 1986-87	Final 1986-87
Planning	$ 230,688	239,217	224,169	224,169
Construction	2,360,176	2,803,363	1,534,939	2,062,650
Maintenance	862,502	1,109,917	1,285,339	1,271,707
Operations	90,302	85,798	99,153	99,153
Administration	61,875	111,250	237,979	237,979
Total Program Outlay	$3,605,543	4,349,545	3,381,579	3,895,658
Debt Service	213,917	207,252	200,585	200,585
Major Facility Appropriation		1,185,714	754,173	954,371
Contingency Appropriation		10,000	10,000	10,000
Total Appropriated	3,819,460	5,752,511	4,346,337	5,060,614
Balance End of Year	3,772,063			
Total	$7,591,523	5,752,511	4,346,337	5,060,614

BACKGROUND INFORMATION

The Northwest Zone is defined by geographic boundaries encompassing the tributaries and watersheds of San Francisquito Creek, Matadero Creek, Barron Creek, Adobe Creek, Stevens Creek and Permanente Creek. Also included in this zone is Stevens Creek Reservoir. The geographic area includes the Cities of Palo Alto, Los Altos, Los Altos Hills and Mountain View and portions of Cupertino and Sunnyvale.

The funds budgeted in this program are to provide for the continuation of coordination with the Corps of Engineers on the San Francisco Bay Shoreline Planning Study, continuation of the Districtwide waterways planning study, sedimentation studies, and planning studies for Matadero and Permanente Creeks. Planning projects are:

San Francisco Bay Shoreline Study $652

This study will provide for liaison with a Corps of Engineers' study to examine the various alternatives for providing protection to the San Francisco Bay shoreline from saltwater flooding. 25 percent of the total cost of this project is allocated to each of the Northwest, North Central, Central and East Flood Control Zone Cost Centers.

Waterways Planning Study $16,307

This project provides for continuing revision and expansion of the Waterways Management Model. Specific needs include revisions to the maintenance and sedimentation programs, incorporation of the cash flow program and a project cost estimating program. It is allocated equally to all five zones.

Sedimentation Study $4,829

This study is to investigate the causes of sedimentation and its impacts on District facilities. It will also identify alternative solutions to reduce high maintenance costs. One third of the cost is allocated to this zone.

Matadero Creek $162,888

This project consists of completing an Engineer's Report and Environmental Impact Report for Matadero Creek between the Palo Alto Flood Basin and Foothill Expressway.

Permanente Creek Sedimentation Study $39,493

This project provides for continuing coordination with the United States Geological Survey to determine the cause of severe sediment deposition from the Permanente Creek Watershed. This is the third year of a four year cooperative study.

Construction Program

This program provides funds for the acquisition or construction of new physical assets or the substantial improvement to the life or value of existing physical assets. The budgeted amount of $1,534,939 includes the following projects:

Ordinance Construction — $17,199

This project provides District labor needed to review, condition, and inspect flood control projects constructed by others.

Facility Maintenance Standard-Allocated — $57,798

Please seen explanation on page 4.

Adobe Creek — $1,027,061

This project provides for completion of construction of flood control measures between Palo Alto Flood Basin and Louis Road; it also provides for plans, specifications and part of the construction of flood control measures from Louis Road upstream to Middlefield Road.

Stevens Creek — $247,517

This project provides funds to purchase and manage properties subject to potential bank failure along Stevens Creek near Diericx Drive in Mountain View.

Palo Alto Flood Basin — $713,075

This project provides for completion of levee raising project and plans, specifications and construction of revegetation measures.

Maintenance Program

Facility Maintenance Standard Allocated — $299,905

Funds budgeted in this project will be used to repair various sites in the zone that were damaged during the winter storms. Actual costs will be charged to the related projects. The City of Palo Alto will pay 50% of all costs for damage on San Francisquito Creek adjacent to Palo Alto Avenue.

Maintenance - General — $971,802

Funds budgeted in this project provide for routine maintenance requirements within the Cost Center.

Operations Program

This program provides funds for ongoing land use review and land ownership management. The budgeted amount of $99,153 includes the following projects:

Land Use Review $75,965

Application of Ordinance 83-2 to assist other agencies in land use decisions.

Technical Services $23,188

Funds will be provided for field identification of District lands and land rights not a part of dedication proceedings or active budgeted projects.

Administration Program

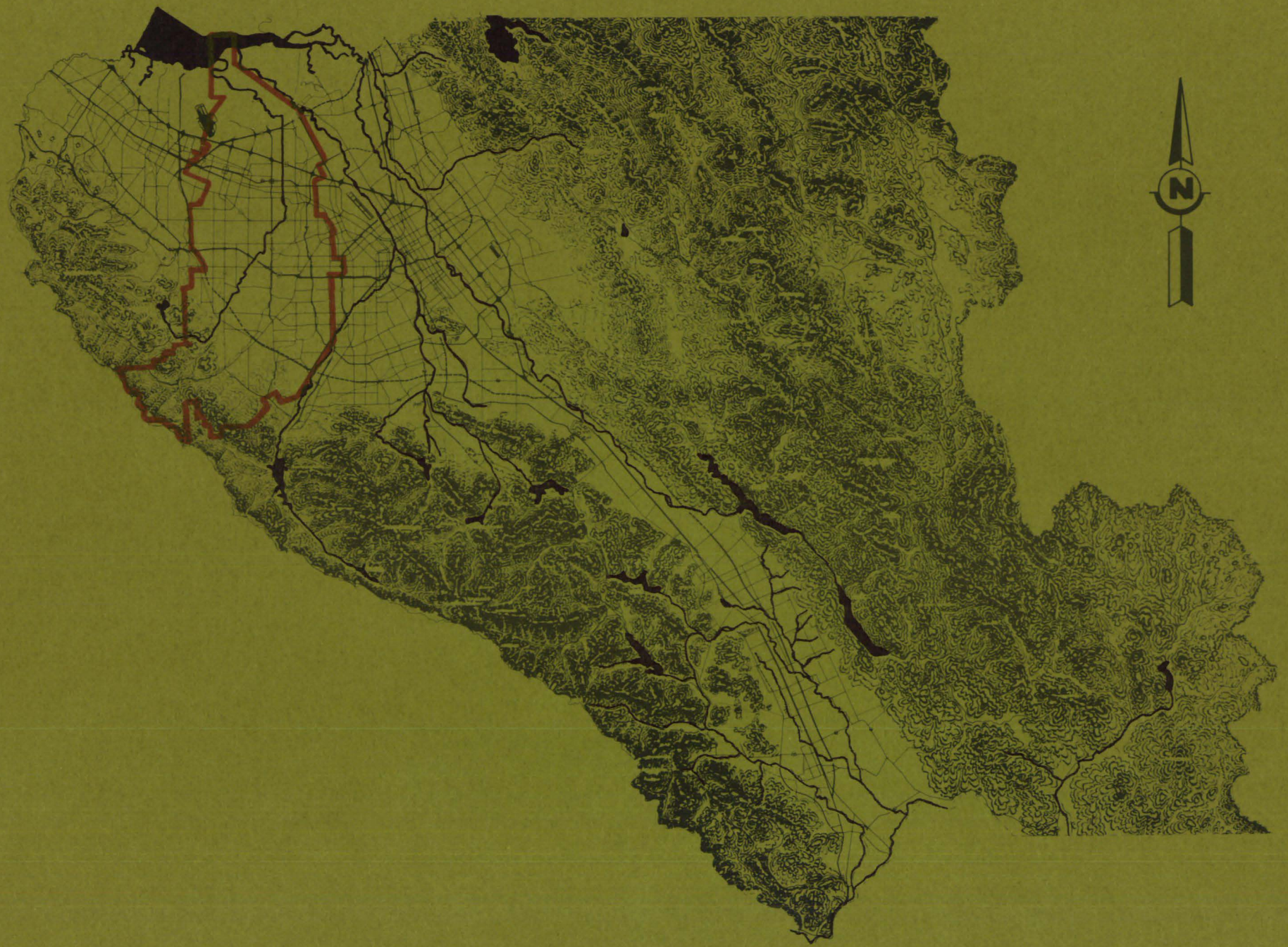
Benefit Assessment $30,420

The cost of annual review and production of the benefit assessment program is budgeted in this program. Also included is the cost of holding an election in November to amend the program. These costs are allocated to the five flood control zones in relation to the total assessment income anticipated in each zone.

This program also includes Insurance and Cost Center Support Projects totaling $207,559.

PROGRAM SUMMARY BY PROJECT

Project	PROGRAM					Project Totals
	Planning	Construction	Maintenance	Operations	Administration	
Land Use Review	$			75,965		75,965
Technical Services				23,188		23,188
Benefit Assessment					30,420	30,420
San Francisco Bay Shoreline Study	652					652
Waterways Planning Study - Phase I	16,307					16,307
Sedimentation Study	4,829					4,829
Insurance					159,600	159,600
Cost Center Support Project					47,959	47,959
Ordinance Construction		17,199				17,199
Facility Maintenance Std. Alloc'd		57,798	299,905			357,703
Adobe Creek		1,027,061				1,027,061
Matadero Creek	162,888					162,888
Permanente Creek Sedimentation Study	39,493					39,493
Stevens Creek		247,517				247,517
Palo Alto Flood Basin		713,075				713,075
Northwest Zone - General			971,802			971,802
Total	$224,169	2,062,650	1,271,707	99,153	237,979	3,895,658



NORTH CENTRAL ZONE

North Central Zone: February, 1986

REVENUE SUMMARY

	Actual 1984-85	Approved 1985-86	Requested 1986-87	Final 1986-87
Balance Beginning of Year	$3,832,411	2,472,646	1,541,690	1,632,782
Revenue Sources				
Property Taxes	1,780,359	1,946,227	2,230,121	2,257,968
Interest	251,203	168,000	117,600	129,360
Agreements and Advances	11,895	11,855	7,277	7,277
Assessment	2,150,532	1,990,000	2,064,000	2,075,000
Other	3,287	1,200	1,000	1,000
Total Revenue Sources	4,197,276	4,117,282	4,419,998	4,470,605
Total Available	$8,029,687	6,589,928	5,961,688	6,103,387

OUTLAY SUMMARY

	Actual 1984-85	Approved 1985-86	Requested 1986-87	Final 1986-87
Planning	$ 133,576	225,258	251,998	251,998
Construction	1,052,036	2,114,914	2,181,975	2,181,975
Maintenance	2,344,489	1,828,693	1,345,077	1,345,077
Operations	88,582	97,783	130,023	130,023
Administration	67,346	119,707	315,566	315,566
Total Program Outlay	3,686,029	4,386,355	4,224,639	4,224,639
Debt Service	738,414	730,226	736,255	736,255
Major Facility Appropriation		1,463,347	990,794	1,132,493
Contingency Appropriation		10,000	10,000	10,000
Total Appropriated	4,424,443	6,589,928	5,961,688	6,103,387
Balance End of Year	3,605,244			
Total	$8,029,687	6,589,928	5,961,688	6,103,387

BACKGROUND INFORMATION

The North Central Zone is defined by geographic boundaries encompassing the tributaries and watersheds of the Guadalupe Slough, Sunnyvale West Outfall, Sunnyvale East Outfall, Calabazas Creek, San Tomas Aquino Creek and Saratoga Creek. The geographic area includes the City of Saratoga and portions of the Cities of Sunnyvale, Santa Clara, Campbell, Cupertino, Monte Sereno, San Jose and the Town of Los Gatos.

Planning Program

The funds budgeted in this program provide for continuation of coordination with the Corps of Engineers on the San Francisco Bay Shoreline Study, continuation of the Districtwide Waterways Planning Study, and a study of sedimentation problems. Planning projects are:

San Francisco Bay Shoreline Study — $652

This study will provide for liaison with a Corps of Engineers' study to examine the various alternatives for providing protection to the San Francisco Bay shoreline from saltwater flooding. 25 percent of the total cost of this project is allocated to each of the Northwest, North Central, Central and East Flood Control Zone Cost Centers.

Waterways Planning Study — $16,307

This project provides for continuing revision and expansion of the Waterways Management Model. Specific needs include revisions to the maintenance and sedimentation programs incorporation of the cash flow program and a project cost estimating program. It is allocated equally to all five zones.

Sedimentation Study — $4,829

This study is to investigate the causes of sedimentation and its impacts on District facilities in the North Central Zone and will identify alternative solutions to reduce high maintenance costs. One third of the cost is allocated to this zone.

Calabazas Creek — $230,210

This project provides for completion of a planning study and environmental document for Calabazas Creek from Lawrence Expressway upstream to Miller Avenue. It also provides funds to begin a planning study from Miller Avenue to Wardell Avenue.

Construction Program

This program provides funds for the acquisition or construction of new physical assets or the substantial improvement to the life or value of existing physical assets. The budgeted amount of $2,181,975 includes the following projects:

Ordinance Construction — $28,218

This project provides District labor needed to review, condition, and inspect flood control projects constructed by others.

Facility Maintenance Standard - Allocated — $57,798

Please see explanation on page 4.

Calabazas Creek $43,329

This project provides funds to begin preparation of plans and specifications for flood control measures between Lawrence Expressway and Miller Avenue.

Saratoga Creek $2,052,630

This project provides for continuation of construction of flood control measures, between Benton Avenue and Homestead Road.

Maintenance Program

Facility Maintenance Standard - Allocated $63,006

Funds budgeted in this project will be used to repair storm damage on Regnart Creek downstream of SPRR.

Maintenance - General $1,282,071

Funds budgeted in this project provide for routine maintenance requirements within the Cost Center.

Operations Program

This program provides funds for ongoing land use review and land ownership management. The budget amount of $130,023 includes the following projects:

Land Use Review $87,557

Application of Ordinance 83-2 assist other agencies in land use decisions.

Technical Services $42,466

Funds will be provided for field identification of District lands and land rights not a part of dedication proceedings or active budgeted projects.

Administration Program

Benefit Assessment $54,758

The cost of annual review and production of the benefit assessment program is budgeted in this program. Also included is the cost of holding an election in November to amend the program. These costs are allocated to the five flood control zones in relation to the total assessment income anticipated in each zone.

This program includes Insurance and Cost Center Support Projects totaling $260,808.

NORTH CENTRAL ZONE

Project	PROGRAM Planning	Construction	Maintenance	Operations	Administration	Project Totals
Land Use Review	$			87,557		87,557
Technical Services				42,466		42,466
Benefit Assessment					54,758	54,758
San Francisco Bay Shoreline Study	652					652
Waterways Planning Study - Phase I	16,307					16,307
Sedimentation Study	4,829					4,829
Insurance					223,350	223,350
Cost Center Support Project					37,458	37,458
Ordinance Construction Special		28,218				28,218
Facility Maintenance Std.-Alloc'd		57,798	63,006			120,804
Calabazas Creek	230,210	43,329				273,539
Saratoga Creek		2,052,630				2,052,630
North Central Zone - General			1,282,071			1,282,071
Total	$ 251,998	2,181,975	1,345,077	130,023	315,566	4,224,639

CENTRAL ZONE

Central Zone: February, 1986

REVENUE SUMMARY

	Actual 1984-85	Approved 1985-86	Requested 1986-87	Final 1986-87
Balance Beginning of Year	$21,222,947	22,585,299	25,158,986	24,687,556
Revenue Sources				
Property Taxes	1,833,838	2,351,983	2,933,745	2,408,302
Interest	1,902,158	1,792,000	1,327,200	1,459,920
Agreements and Advances	95,630	124,969	175,458	175,458
Assessment	2,240,023	2,235,000	2,335,000	2,345,000
Other	15,729	9,400	12,700	12,700
Total Revenue Sources	6,087,378	6,513,352	6,784,103	6,401,380
Total Available	$27,310,325	29,098,651	31,943,089	31,088,936

OUTLAY SUMMARY

	Actual 1984-85	Approved 1985-86	Requested 1986-87	Final 1986-87
Planning	$ 335,362	357,652	394,136	394,136
Construction	2,229,756	25,145,138	28,107,558	28,115,688
Maintenance	1,396,015	1,669,607	1,932,128	1,918,496
Operations	133,557	138,750	194,795	197,506
Administration	54,808	118,668	253,559	253,559
Total Program Outlay	$ 4,149,498	27,429,815	30,882,176	30,879,385
Debt Service				
Major Facility Appropriation		1,568,836	960,913	109,551
Contingency Appropriation		100,000	100,000	100,000
Total Appropriated	4,149,498	29,098,651	31,943,089	31,088,936
Balance End of Year	23,160,827			
Total	$27,310,325	29,098,651	31,943,089	31,088,936

BACKGROUND INFORMATION

The Central Zone is defined by geographic boundaries encompassing the tributaries and watersheds of the Guadalupe River. The major tributaries are Los Gatos Creek, Canoas Creek, Ross Creek, Guadalupe Creek and Alamitos Creek. Also included in this zone are Calero, Almaden, Guadalupe, Lexington and Vasona Reservoirs. The geographic area includes portions of the Cities of Santa Clara, San Jose, Campbell, Monte Sereno and the Town of Los Gatos.

Planning Program

Funds budgeted in the program provide for continuation of coordination with the Corps of Engineers on the San Francisco Bay Shoreline and Guadalupe River studies, continuation of the Districtwide Waterways Planning Study, and planning studies on Guadalupe River.

Guadalupe River Corps of Engineers Study — $18,307

This project provides District support for the Corps of Engineers' study on Guadalupe River between Highway 17 and Highway 280.

San Francisco Bay Shoreline Study — $652

This study will provide for liaison with a Corps of Engineers' study to examine the various alternatives for providing protection to the San Francisco Bay shoreline from saltwater flooding. 25 percent of the total cost of this project is allocated to each of the Northwest, North Central, Central and East Flood Control Zone Cost Centers.

Waterways Planning Study — $16,307

This project provides for continuing revision and expansion of the Waterways Management Model. Specific needs include revisions to the maintenance and sedimentation programs incorporation of the cash flow program and a project cost estimating program. It is allocated equally to all five zones.

Guadalupe River — $358,870

This project provides funds for continuation of a planning study from Highway 101 to Highway 17 and upstream of Highway 280 to Blossom Hill Road.

Construction Program

This program provides funds for the acquisition or construction of new physical assets or the substantial improvement to the life or value of existing physical assets. The budgeted amount of $28,115,688 includes the following projects:

Ordinance Construction — $57,610

This project provides District labor needed to review, condition, and inspect flood control projects constructed by others.

Facility Maintenance Standard - Allocated — $57,798

Please see explanation on page 4.

Alamitos Creek $27,709

This project provides for the second year of a two year maintenance program for landscaping installed in 1984-85. Funds are also provided for completion of acquisition of maintenance and flooding easements between Guadalupe River and Camden Avenue.

Guadalupe River $25,004,199

This project provides for completion of construction to raise the Gold Street Bridge; for right of way acquisition and local share of construction costs for the United States Corps of Engineer's project between Highway 17 and Interstate 280, including the District's share of costs on a box culvert being constructed by the City of San Jose upstream of Park Avenue; for completion of right of way acquisition between Southern Pacific Railroad and the County's Marina in Alviso; for raising or undergrounding the Hetch Hetchy Pipeline Crossing, and for advance right of way acquisition and future construction of the project upstream of Highway 280 to Blossom Hill Road.

Lower Coyote Creek $2,968,372

This project provides funds for completion of plans and specifications and construction for the initial phase of the Bay to Highway 237 reach. These funds represent the remainder of the total amount to which the Central Zone will benefit from a flood control project on Lower Coyote Creek.

Maintenance Program

Facility Maintenance Standard - Allocated $815,356

Funds budgeted in this project will be used to repair various sites in the zone that were damaged during the winter storms. The primary project is to repair erosion problems on Los Gatos Creek between Lincoln and Meridian Avenue.

Maintenance - General $1,103,140

Funds budgeted in this project provide for routine maintenance requirements within the Cost Center.

Operations Program

This program provides funds for ongoing land use review and land ownership management. The budgeted amount of $197,506 includes the following projects:

Land Use Review $128,718

Application of Ordinance 83-2 to assist other agencies in land use decisions.

Technical Services $68,788

Funds will be provided for field identification of District lands and land rights not a part of dedication proceedings or active budgeted projects.

Administration Program

Benefit Assessment $60,846

The cost of annual review and production of the benefit assessment program is budgeted in this program. Also included is the cost of holding an election in November to amend the program. These costs are allocated to the five flood control zones in relation to the total assessment income anticipated in each zone.

This program includes Insurance and Cost Center Support Projects totaling $192,713.

Project	PROGRAM					Project Totals
	Planning	Construction	Maintenance	Operations	Administration	
Guadalupe River Corps of Engineers Study	$ 18,307					18,307
Land Use Review				128,718		128,718
Technical Services				68,788		68,788
Benefit Assessment					60,846	60,846
San Francisco Bay Shoreline Study	652					652
Waterways Planning Study - Phase I	16,307					16,307
Insurance					143,625	143,625
Cost Center Support Project					49,088	49,088
Ordinance Construction Special		57,610				57,610
Facility Maintenance Std. Alloc'd		57,798	815,356			873,154
Alamitos Creek		27,709				27,709
Guadalupe River	358,870	25,004,199				25,363,069
Lower Coyote Creek		2,968,372				2,968,372
Central Zone - General			1,103,140			1,103,140
Total	$394,136	28,115,688	1,918,496	197,506	253,559	30,879,385

EAST ZONE

East Zone: January, 1983

REVENUE SUMMARY

	Actual 1984-85	Approved 1985-86	Requested 1986-87	Final 1986-87
Balance Beginning of Year	$3,041,909	2,632,429	5,411,754	5,466,043
Revenue Sources				
Property Taxes	1,795,045	2,178,926	2,537,085	2,356,049
Interest	156,622	200,000	325,400	357,940
Agreements and Advances	295,629	5,795	4,056	4,056
Assessment	1,636,275	1,650,000	1,765,000	1,800,000
Other	3,207	2,000	2,600	2,600
Total Revenue Sources	3,886,778	4,036,721	4,634,141	4,520,645
Total Available	$6,928,687	6,669,150	10,045,895	9,986,688

OUTLAY SUMMARY

	Actual 1984-85	Approved 1985-86	Requested 1986-87	Final 1986-87
Planning	$ 35,841	157,632	44,952	44,952
Construction	2,818,463	4,369,711	7,361,230	7,913,982
Maintenance	860,031	894,845	1,525,909	964,735
Operations	123,897	137,974	185,183	190,605
Administration	59,433	96,552	213,768	213,768
Total Program Outlay	$3,897,665	5,656,714	9,331,042	9,328,042
Loan	300,000			
Major Facility Appropriation		1,002,436	704,853	648,646
Contingency Appropriation		10,000	10,000	10,000
Total Appropriated	4,197,665	6,669,150	10,045,895	9,986,688
Balance End of Year	2,731,022			
Total	$6,928,687	6,669,150	10,045,895	9,986,688

BACKGROUND INFORMATION

The East Zone is defined by geographic boundaries encompassing the tributaries and watersheds of Coyote Creek. The major tributaries are Lower Penitencia Creek, Scott Creek, Berryessa Creek, Upper Penitencia Creek, Silver Creek, Thompson Creek, Fisher Creek and Packwood Creek. Also included in this zone are Anderson and Coyote Reservoirs. The geographic area includes the City of Milpitas and portions of the Cities of San Jose and Morgan Hill.

Funds budgeted in the program provide for continuation of coordination with the Corps of Engineers on the San Francisco Bay Shoreline Planning Study, and the Berryessa Creek Project for construction of coordination with the United States Soil Conservation Service on the Upper Penitencia Creek Study, the Waterways Planning Study, and a sedimentation study. Planning projects are:

San Francisco Bay Shoreline Study $655

This study will provide for liaison with a proposed Corps of Engineers' study to examine the various alternatives for providing protection to the San Francisco Shoreline from saltwater flooding. 25 percent of the total cost of this project is allocated to each of the Northwest, North Central, Central and East Flood Control Zone Cost Centers.

Waterways Planning Study $16,307

This project provides for continuing revision and expansion of the Waterways Management Model. Specific needs include revisions to the maintenance and sedimentation programs incorporation of the cash flow program and a project cost estimating program. It is allocated equally to all five zones.

Sedimentation Study $4,982

This study provides funds to investigate the causes of sedimentation and its impacts on District facilities in the East Zone and will identify alternative solutions to reduce high maintenance costs. Thirty four percent of the cost of this study is allocated to this cost center.

Berryessa Creek $6,988

This project provides for District support and liaison work on the Corps of Engineers study on Berryessa Creek.

Coyote Creek $6,988

This study provides for District support and liaison work on the Corps of Engineers study on Coyote Creek.

Penitencia Creek - Upper $9,032

This project provides for the nonreimbursable coordination and liaison work on the proposed Upper Penitencia Creek Watershed Project. The Soil Conservation Service is conducting the Watershed Planning Study from the Coyote Creek confluence to the headwaters.

Construction Program

This program provides funds for the acquisition or construction of new physical assets or the substantial improvement of the life or value of existing physical assets. The budgeted amount of $7,361,230 includes the following projects:

Ordinance Construction $61,037

This project provides District labor needed to review, condition, and inspect flood control projects constructed by others.

Facility Maintenance Standard - Allocated $57,798

Please see explanation on page 4.

Coyote Creek $6,709,952

This provides funds for beginning construction of flood control improvements between San Francisco Bay and Highway 237. The Central Zone, which will also benefit from improvement in this reach, is providing funds for all District labor to prepare plans and specifications and some funds for construction of initial phases.

Silver Creek - Lower $671,194

This project is for right of way acquistion and construction from Coyote Creek to Lake Cunningham in cooperation with the Soil Conservation Service.

Penitencia Creek - Upper $56,800

This provides funds for a participating agreement with the City of San Jose to develop the Penitencia Creek Park Chain.

Penitencia Creek - Lower $357,201

This provides funds for an agreement with Caltrans for construction of parapet walls at Highway 17. This project also provides funds for right of way acquisition for flood control measures between Marylinn Drive and Montague Expressway.

Maintenance Program

Maintenance - General $964,735

Funds budgeted in this project provide for routine maintenance requirements within the Cost Center.

Operations Program

This program provides funds for ongoing land use review and land ownership management. The budgeted amount of $190,605 includes the following projects:

Land Use Review $129,489

Application of Ordinance 83-2 to assist other agencies in land use decisions.

Technical Services $61,116

Funds will be provided for field identification of District lands and land rights not a part of dedication proceedings or active budgeted projects.

Administration Program

Benefit Assessment $46,647

The cost of annual review and production of the benefit assessment program is budgeted in this program. Also included is the cost of holding an election in November to amend the program. These costs are allocated to the zone in relation to the total assessment income anticipated.

This program also includes Insurance and Cost Center Support Projects totaling $167,121.

Project	PROGRAM					Project Totals
	Planning	Construc-tion	Maintenance	Operations	Adminis-tration	
Land Use Review	$			129,489		129,489
Technical Services				61,116		61,116
Benefit Assessment					46,647	46,647
San Francisco Bay Shoreline Study	655					655
Waterways Planning Study - Phase I	16,307					16,307
Sedimentation Study	4,982					4,982
Insurance					127,650	127,650
Cost Center Support Project					39,471	39,471
Ordinance Construction		61,037				61,037
Facility Maintenance Std. Alloc'd		57,798				57,798
Berryessa Creek	6,988					6,988
Coyote Creek	6,988	6,709,952				6,716,940
Silver Creek - Lower		671,194				671,194
Penitencia Creek - Upper	9,032	56,800				65,832
Penitencia Creek - Lower		357,201				357,201
East Zone - General			964,735			964,735
Total	$ 44,952	7,913,982	964,735	190,605	213,768	9,328,042

SOUTH ZONE

South Zone: February, 1986

REVENUE SUMMARY

	Actual 1984-85	Approved 1985-86	Requested 1986-87	Final 1986-87
Balance Beginning of Year	$ 130,705			
Revenue Sources				
Property Taxes	374,707	476,689	488,975	479,184
Interest	11,263			
Loan from District		684,765	2,200,000	2,200,000
Agreements and Advances	1,855,477	867,975	13,925	13,925
Assessment	342,424	330,000	358,000	370,000
Other	1,712	4,200	2,000	2,000
Total Revenue Sources	2,585,583	2,363,629	3,062,900	3,065,109
Total Available	$2,716,288	2,363,629	3,062,900	3,065,109

OUTLAY SUMMARY

	Actual 1984-85	Approved 1985-86	Requested 1986-87	Final 1986-87
Planning	$ 39,103	72,321	32,079	32,079
Construction	1,164,697	1,329,226	1,905,777	2,023,812
Maintenance	389,417	420,535	536,727	463,580
Operations	66,038	131,431	96,345	96,345
Administration	44,461	83,948	157,334	157,334
Total Program Outlay	1,703,716	2,037,461	2,728,262	2,773,150
Loan	968,311			
Debt Service				
Major Facility Appropriation		325,168	333,638	290,959
Contingency Appropriation		1,000	1,000	1,000
Total Appropriated	2,672,027	2,363,629	3,062,900	3,065,109
Balance End of Year	44,261			
Total	$2,716,288	2,363,629	3,062,900	3,065,109

BACKGROUND INFORMATION

The South Zone is defined by geographic boundaries encompassing the tributaries and watersheds of the Pajaro River in Santa Clara County. The major tributaries are Little Llagas Creek, Llagas Creek, West Branch of the Llagas Creek, Uvas-Carnadero Creek, Pescadero Creek and Pacheco Creek. The zone includes the City of Gilroy and portions of the Cities of San Jose and Morgan Hill. No additional funds are being loaned to this zone beyond the $2.2 million authorized by the Board.

Planning Program

Funds budgeted in this program provide for continuation of coordination with the Corps of Engineers on the Pajaro River project, and planning studies on Jones Creek, and Tennant-Corralitos Creeks. Planning projects are:

Pajaro River, Corps of Engineers' Study $7,829

This project provides for the liaison with the Corps of Engineers in their study of the Upper Pajaro River Basin, particularly the Uvas-Carnadero Creek area.

Waterways Planning Study $16,320

This project provides for continuing revision and expansion of the Waterways Management Model. Specific needs include revisions to the maintenance and sedimentation programs incorporation of the cash flow program and a project cost estimating program. It is allocated equally to all five zones.

Tennant-Corralitos Creeks $7,930

This is for completing the study that investigates possible interim drainage measures on Tennant-Corralitos Creeks.

Construction Program

This program provides funds for the acquisition or construction of new physical assets or the substantial improvement to the life or value of existing physical assets. The budgeted amount of $2,023,812 is required for the following projects:

Ordinance Construction $17,443

This project provides District labor needed to review, condition, and inspect flood control projects constructed by others.

Facility Maintenance Standard - Allocated $33,713

Please see explanation on page 4.

Uvas-Carnadero Creek $470,690

This project provides funds for land acquisition and bridge design over the Uvas Creek Levee between 1,000 feet upstream of Miller Avenue and 1,000 feet downstream of Thomas Road in conjunction with the Corps of Engineers project on Uvas Creek. It also provides for District labor and piece costs to acquire maintenance easements downstream of the Corps project limits.

Upper Llagas Creek Watershed Project $41,934

This project provides for payment of reimbursable items relating to relocation of bridges and utilities on this Soil Conservation Service project.

Lower Llagas Creek Watershed Project $1,460,032

This project provides funds for advancing a portion of the reimbursable land acquisition, bridge construction, and utility relocation costs on this Soil Conservation Service project.

Maintenance Program

Special Debris Removal Project $130,330

This project provides funds for special channel cleaning and debris removal in the cost center.

Public Law 566 (Upper) $34,086

Funds budgeted in this project will be used for maintenance of fire prevention measures in the Upper Llagas Creek Watershed, for which the District is contractually committed.

Maintenance - General $299,164

Funds budgeted in this project provide for routine maintenance requirements within the Cost Center.

Operations Program

This program provides funds for ongoing land use review and land ownership management. The budgeted amount of $96,345 includes the following projects:

Land Use Review $81,891

Application of Ordinance 83-2 to assist other agencies in land use decisions.

Technical Services $14,454

Funds will be provided for field identification of District lands and land rights not a part of dedication proceedings or active budgeted projects.

Administration Program

Benefit Assessment $10,167

The cost of annual review and production of the benefit assessment program is budgeted in this program. Also included is the cost of holding an election in November to amend the program. The cost is allocated to the five flood control zones in relation to the total assessment income anticipated in each zone.

This program includes Insurance and Cost Center Support Projects totaling $147,167.

PROGRAM SUMMARY BY PROJECT

Project	PROGRAM					Project Totals
	Planning	Construction	Maintenance	Operations	Administration	
Land Use Review	$			81,891		81,891
Technical Services				14,454		14,454
Benefit Assessment					10,167	10,167
Pajaro River C of E Study	7,829					7,829
Waterways Planning Study - Phase I	16,320					16,320
Insurance					95,775	95,775
Cost Center Support Project					51,392	51,392
Ordinance Construction		17,443				17,443
Special Debris Removal Project		33,713	130,330			164,043
Uvas-Carnadero Creek		470,690				470,690
Tennant Creek	7,930					7,930
Upper Llagas Ck Watershed Project		41,934				41,934
Lower Llagas Ck Watershed Project		1,460,032				1,460,032
Public Law 566 (Upper)			34,086			34,086
South Zone - General			299,164			299,164
Total	$ 32,079	2,023,812	463,580	96,345	157,334	2,773,150

WATER UTILITY

SOURCE OF SUPPLY

RAW WATER TRANSMISSION & DISTRIBUTION

WATER TREATMENT

TREATED WATER TRANSMISSION & DISTRIBUTION

ADMINISTRATION AND GENERAL

BACKGROUND INFORMATION

The Water Utility is operated on an Enterprise Fund Basis. Revenue is derived from water sales, groundwater extraction charges and from ad valorem taxes allocated by the County Controller as provided by law.

In November 1985 the District sold $30,000,000 of revenue bonds which with accumulated reserves, will be used for construction of the In-County Distribution System.

The major sources of water revenue are from charges levied on all groundwater extracted within Zone W-2 of the District and from the sale of approximately 81,900 acre-feet of treated water. Groundwater production for this fiscal year is estimated to be 172,000 acre-feet for nonagricultural purposes and 7,200 acre-feet for use by agriculture. Other water charges will be made for surface water diversions and the sales of reclaimed water in the Gilroy area approximating 2,200 acre-feet.

A brief description of each of the water zones within the Water Utility Enterprise follows:

Zone W-1 Zone W-1 encompasses the groundwater basin in Northern Santa Clara County and small peripheral areas outside of the groundwater basin within the retail service areas of privately owned public utilities and municipal water departments using water pumped from groundwater supplies within the groundwater basin. It is the area which provides the security for general obligation bonds. The zone comprises an area of approximately 290 square miles and includes all or portions of thirteen of the County's fifteen cities, plus some unincorporated territory.

Zone W-2 This zone encompasses the Santa Clara Valley Groundwater Basin north of Metcalf Road. It includes those groundwater producing facilities that benefit from the recharge of the basin with local and imported water. A charge is levied for all groundwater extracted within this zone.

Zone W-3 This zone encompasses the land within the Coyote and Llagas Groundwater Basins in the area from Metcalf Road on the north to just south of the City of Morgan Hill. Part of the Countywide property tax within the one percent limit is allocated to this zone. Sub-zones identified as W-3.1, 3.2, 3.3 and 3.5 are local areas within the total Zone W-3 and groundwater charges are levied for water extracted within these areas.

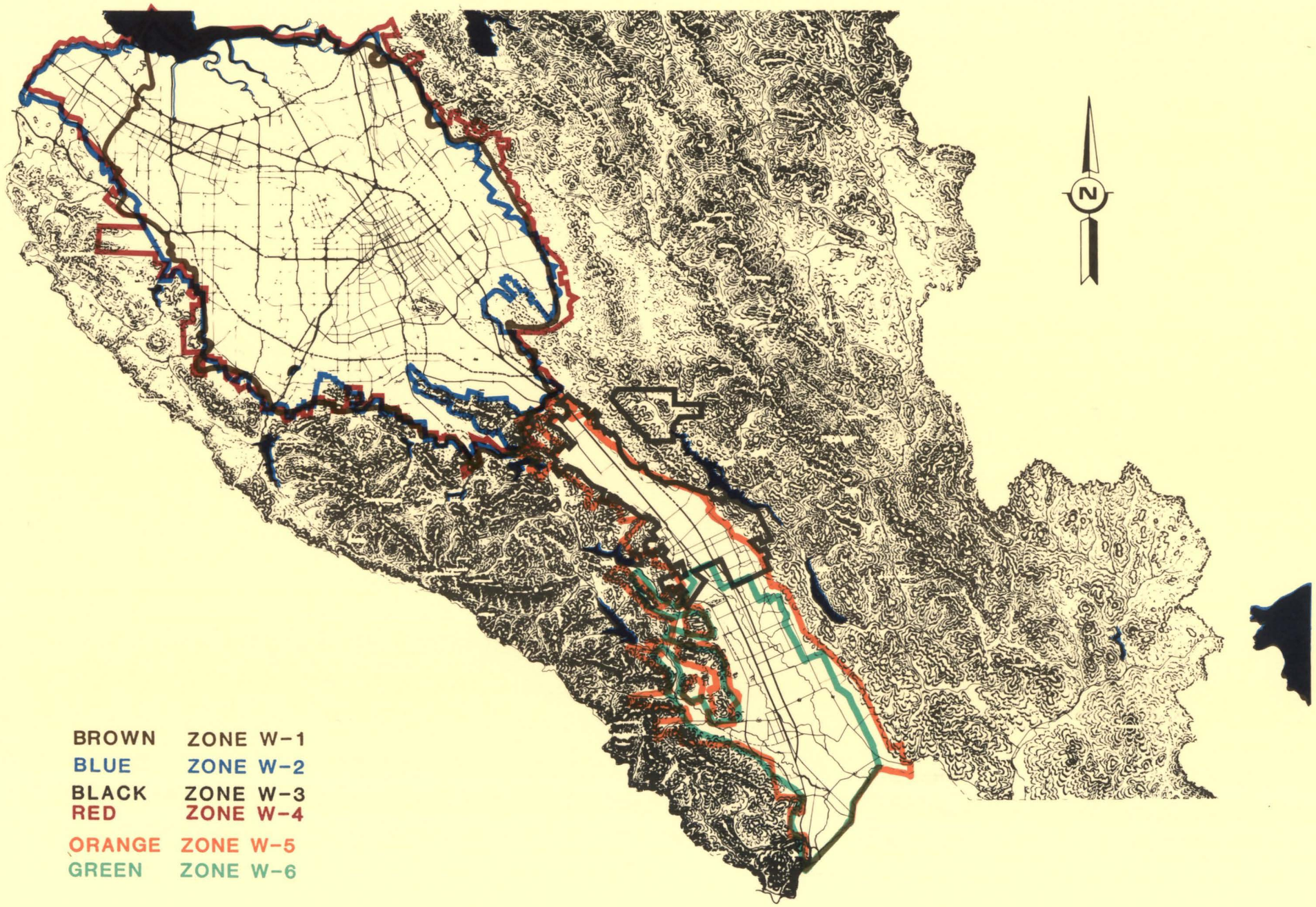
Zone W-4 This zone contains all of Zone W-2 and lands outside Zone W-2 that use or otherwise benefit from locally conserved water and from the importation and distribution of water from the South Bay Aqueduct. This area also receives an allocation of the Countywide tax levied which is used to pay for the cost of water to recover the accumulated overdraft, control land surface subsidence and sustain the emergency supply of water.

Zone W-5 This zone is comprised of the entire groundwater basin from Metcalf Road south to the Pajaro River. For the year 1986-87 no groundwater extraction charge will be levied and the requirement for filing production statements has been waived.

Zone W-6 This zone is comprised of the area of the Gavilan Water Conservation District. For 1986-87 no groundwater extraction charge will be levied and the requirement for filing water production statements has been waived.

Under uniform accounting practices adopted by the State, it is necessary to divide expenditures of the Water Utility Enterprise into various categories called cost centers. These cost centers are Source of Supply, Raw Water Transmission and Distribution, Water Treatment, Treated Water Transmission and Distribution, and Administration and General. Appropriations for each of these cost centers are shown separately.

WATER UTILITY ZONES



REVENUE SUMMARY

	Actual 1984-85	Approved 1985-86	Requested 1986-87	Final 1986-87
Balance Beginning of Year	$ 84,124,593	86,131,758	60,762,000	61,777,905
Revenue Sources				
Property Taxes	11,144,516	14,138,923	15,474,225	15,942,178
Interest	8,713,329	6,520,000	6,241,200	6,865,320
Agreements and Advances	556,035	90,000	1,366,494	1,366,494
Groundwater Charges	14,340,733	16,014,247	16,123,221	16,123,221
Surface Water Charges	145,267	103,000	124,000	124,000
Reclaimed Water Sales	12,351	13,500	2,000	2,000
Treated Water Sales	12,238,132	12,690,809	14,120,000	14,120,000
Miscellaneous	190,551	95,000	96,000	96,000
Total Revenue Sources	47,340,914	49,665,479	53,547,140	54,639,213
Total Available	$131,465,507	135,797,237	114,309,140	116,417,118

OUTLAY SUMMARY

	Actual 1984-85	Approved 1985-86	Requested 1986-87	Final 1986-87
Planning	$ 2,107,271	1,619,646	1,828,254	1,768,562
Construction	10,395,655	83,087,591	39,251,380	41,445,973
Maintenance	3,027,904	3,780,304	4,243,175	4,282,835
Operations	12,346,069	14,761,683	16,376,682	16,883,682
Administration	715,710	849,445	1,196,111	1,213,822
Total Program Outlay	28,592,609	104,098,669	62,895,602	65,594,874
Debt Service	8,310,962	8,167,970	11,380,105	11,380,105
Replacement Appropriation		3,427,170	3,500,000	3,500,000
In-County Distribution System Approp	16,327	19,103,428	35,533,433	34,942,139
Contingency Appropriation		1,000,000	1,000,000	1,000,000
Total Appropriated	36,919,898	135,797,237	114,309,140	116,417,118
Balance End of Year	94,545,609			
Total	$131,465,507	135,797,237	114,309,140	116,417,118

COST CENTER EXPENDITURE SUMMARY

	Actual 1984-85	Approved 1985-86	Requested 1986-87	Final 1986-87
Source of Supply	$12,220,780	17,480,284	18,750,121	19,257,121
Raw Water T&D	8,260,920	7,148,843	14,371,157	14,556,728
Water Treatment	5,565,935	52,766,670	11,763,281	11,776,544
Treated Water T&D	1,237,450	22,342,998	14,992,157	14,997,576
Administration & General	1,307,524	4,359,874	3,018,886	5,006,905
Total	$28,592,609	104,098,669	62,895,602	65,594,874

PROGRAM EXPENDITURE SUMMARY

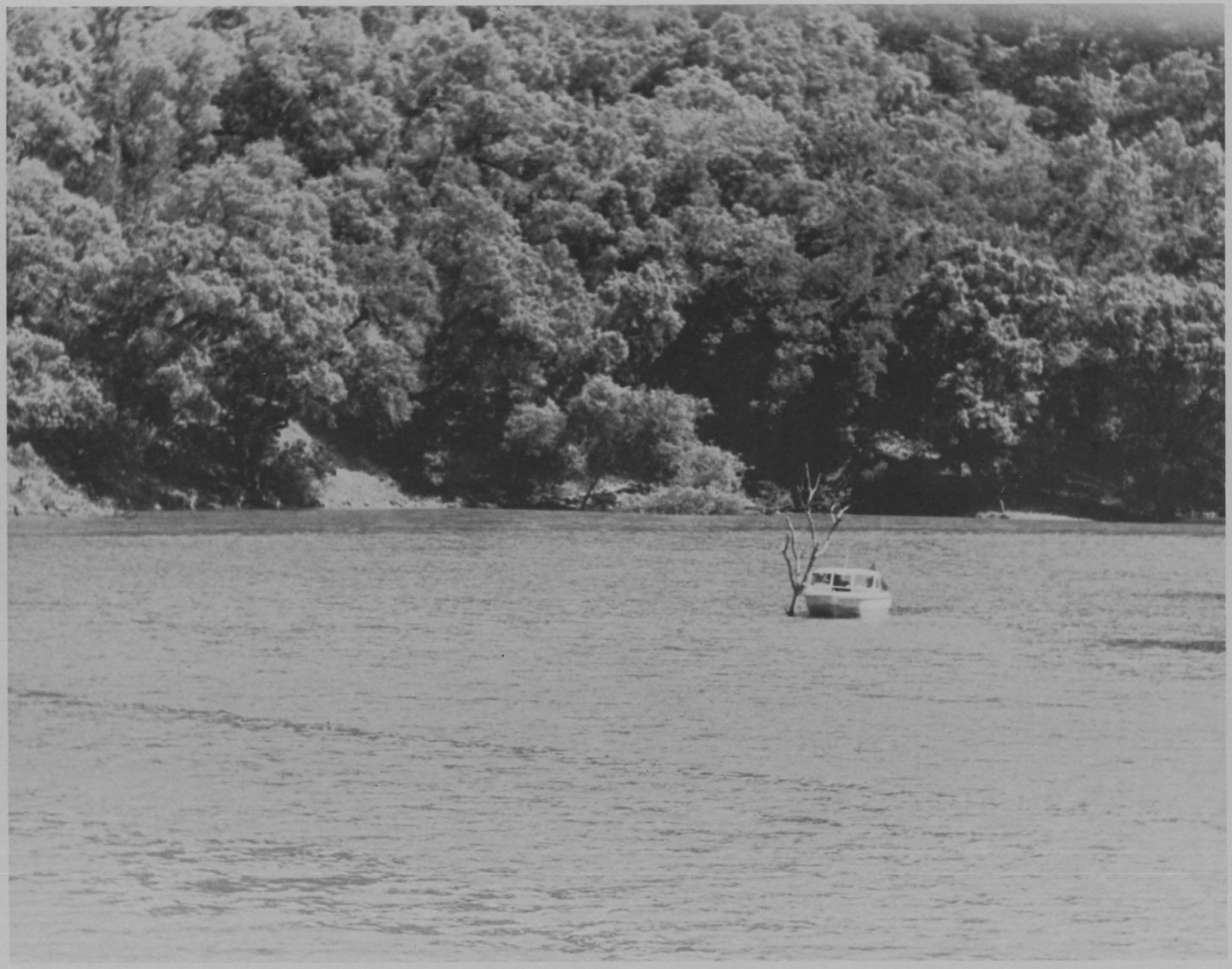
	Actual 1984-85	Approved 1985-86	Requested 1986-87	Final 1986-87
Planning	$ 2,107,271	1,619,646	1,828,254	1,768,562
Construction	10,395,655	83,087,591	39,251,380	41,445,973
Maintenance	3,027,904	3,780,304	4,243,175	4,282,835
Operations	12,346,069	14,761,683	16,376,682	16,883,682
Administration	715,710	849,445	1,196,111	1,213,822
	$28,592,609	104,098,669	62,895,602	65,594,874

WATER UTILITY RATE SUMMARY

	1983-84	1984-85	1985-86	1986-87
Groundwater				
Agricultural	20.00	21.25	22.50	23.75
Nonagricultural	80.00	85.00	90.00	95.00
Treated Water				
Contract (Scheduled)	150.00	160.00	170.00	180.00
Non-Contract	105.00	110.00	118.00	123.00
Untreated Water				
Agricultural	20.00	21.25	22.50	23.75
Nonagricultural	80.00	85.00	90.00	95.00
Water Master	8.00	9.00	9.00	9.00
Power (Evergreen System)	35.00	32.00	35.00	37.00
Power (Half Road/Coyote Madrone System)	4.00	4.00	4.00	4.00
Minimum Charge	56.00	60.00	63.00	66.00
Capital Cost (Half Road/Coyote Madrone System)	2.75	2.75	2.75	2.75
Reclaimed Water				
Palo Alto Reclamation Facility				
Basic User Charge				
Agricultural	20.00	34.25	35.50	0
Nonagricultural	80.00	98.00	103.00	0
Water Master Service Charge	8.00	9.00	9.00	0
Power Charge	4.00	4.00	4.00	0
Gilroy Reclamation Facility				
Agricultural	20.00	20.00	20.00	20.00
Nonagricultural	80.00	80.00	80.00	80.00

WATER UTILITY TAX REVENUE SUMMARY

	Actual 1984-85	Approved 1985-86	Requested 1985-86	Final 1986-87
Water Fund				
Secured	$ 2,380,298	2,797,363	3,133,050	2,944,889
Unsecured	356,526	461,830	581 900	519,496
Delinquent	125,552	160,000	160,000	180,682
Supplemental (Subventions)	100,327	101,615	116,860	231,740
Total	2,962,703	3,520,808	3,991,810	3,876,807
Zone W-3				
Secured	77,171	88,476	97,765	90,047
Unsecured	12,261	14,607	17,090	17,330
Delinquent	6,085	5,500	5,000	1,513
Supplemental (Subventions)	3,174	3,214	3,700	7,500
Total	98,691	111,797	123,555	116,390
Zone W-4				
Secured	575,614	681,382	783,590	715,071
Unsecured	86,641	112,493	141,740	126,644
Delinquent	30,499	38,000	35,000	44,902
Supplemental (Subventions)	24,439	24,751	28,460	56,468
Total	717,193	856,626	988,790	943,085
State Water Project				
Secured	4,495,661	7,000,448	7,729,000	7,729,000
Unsecured	173,707	198,163	208,070	320,553
Delinquent	344,895	315,000	290,000	349,100
Supplemental (Subventions)				319,047
Total	5,014,263	7,513,611	8,227,070	8,717,700
Debt Service W-1				
Secured	2,214,547	1,896,025	1,962,460	1,962,460
Unsecured	53,847	98,056	56,540	84,895
Delinquent	83,272	142,000	124,000	144,426
Supplemental (Subventions)				96,415
Total	2,351,666	2,136,081	2,143,000	2,288,196
TOTAL ALL FUNDS	$11,144,516	14,138,923	15,474,225	15,942,178



SOURCE OF SUPPLY

BACKGROUND INFORMATION

The Source of Supply Cost Center is the first of five cost centers which make up the Water Utility Enterprise. The budget for this Cost Center contains all of the anticipated expenditures relating to obtaining, producing and protecting a supply of water including all conservation, reclamation and importation costs.

SUMMARY BY PROGRAM

	Actual 1984-85	Approved 1985-86	Requested 1986-87	Final 1986-87
Planning	$ 304,537	167,321	121,539	121,539
Construction	3,345,480	7,283,892	7,381,494	7,381,494
Maintenance	321,221	434,780	886,241	886,241
Operations	7,810,396	9,123,978	9,820,374	10,327,374
Administration	439,146	470,313	540,473	540,473
	$12,220,780	17,480,284	18,750,121	19,257,121

Planning Program

Funds budgeted in this program provide for various planning activities, preparation of hearing plans and environmental reports. The budgeted amount of $121,539 reflects a decrease of $45,782 compared to the previous year. Planning projects are:

Saltwater Intrusion Study $44,377

Wells in the bayfront area that have been incorrectly sealed or constructed contribute to the spread of saltwater contamination. This project includes continued monitoring of the extent of saltwater intrusion and completion of a program to locate and have sealed, defective wells which contribute to saltwater contamination of the drinking water aquifers. This latter program is funded in part by a grant from the State Water Resources Control Board.

Federal Water Project $20,339

This project provides for liaison with the United States Bureau of Reclamation in their development of the communications and control systems required to operate the San Felipe Division, Central Valley Project, from the District's Control Center.

Coyote Dam and Reservoir $26,201

This project provides funds to prepare an Engineer's Report analyzing alternatives for resolving silt buildup in this reservoir.

Lexington Dam and Reservoir $30,622

This project provides funds to prepare an Engineer's Report analyzing alternatives for resolving silt buildup in this reservoir.

Construction Program

This program provides funds for the acquisition or construction of new physical assets and substantial improvements to the life or value of existing physical assets. The budgeted amount of $7,381,494 includes the following projects:

State Water Project $3,479,729

This project provides funds for payment to the State of California for the capitalized portion of imported water costs for the State Water Project. The balance of the funds are budgeted in the Operations Program.

Federal Water Project $1,723

This project provides funds for capitalized costs by the District associated with construction of the Santa Clara Conduit and those costs necessary to ensure full operating capabilities of the San Felipe Division, Central Valley Project.

Water Conservation Project $700

This project provides funds for the purchase of motion pictures prints describing the distribution and conservation of water.

Small Equipment Replacement $8,000

This project provides for the replacement of equipment in this Cost Center which is not included in the Replacement Appropriation.

Almaden Dam & Reservoir $71,188

This project provides funds to install electric operators on the outlet valves and construct a housing for the operator assemblies.

SOURCE OF SUPPLY

Anderson Dam and Reservoir $3,669,385

This project will provide funds to perform contract administration and construct modifications to the dam and spillway to conform to Division of Safety of Dams requirements.

Coyote Dam and Reservoir $41,768

This project provides funds to prepare plans and specifications and construct modifications to the existing outlet facility.

Guadalupe Dam and Reservoir $109,001

This project provides funds to reconstruct the existing outlet structure, and the installation of an electric operator on the outlet valve.

Maintenance Program

Funds are for maintenance of Reaches 1 to 3 of the San Felipe Division Project, monitoring the deformation of the Coyote Dam Spillway, devise a plan to update as-built drawings, and other maintenance requirements within the Cost Center.

Operations Program

The funds budgeted in this program are for Land Use Review, Land Ownership Management, the inspection and operation of the District's dams and reservoirs, operating the San Felipe Division Project, the operation of the water reclamation facility at Gilroy and the purchase of water from the State Water Project. The enforcement and application of Ordinance 85-1 relative to monitoring wells is part of the Water Quality Control project. Funds budgeted in this program show an increase of $1,203,396 compared to the preceding year, but $197,000 of this is attributable to an increase in State Water Project costs. Also, the initial operation of the San Felipe Division Project is estimated to cost $569,000.

Administration Program

Significant projects within this program include Water Reclamation, State Water Project, the Federal Water Project, and the Water Conservation Project. The budget for fiscal 1986-87 reflects an increase of $70,160 compared to the preceding year.

SOURCE OF SUPPLY

PROGRAM SUMMARY BY PROJECT

Project	PROGRAM					Project Totals
	Planning	Construction	Maintenance	Operations	Administration	
Land Use Review	$			11,280		11,280
Technical Services				2,807		2,807
Saltwater Intrusion Study	44,377					44,377
Insurance					44,000	44,000
Cost Center Support Project					7,460	7,460
Dams & Reservoirs - General			14,181			14,181
Water Reclamation Fac. - Gilroy				127,688	62,500	190,188
Water Rights					54,520	54,520
State Water Project		3,479,729		7,197,000	106,774	10,783,503
Federal Water Project	20,339	1,723			81,399	103,461
Water Conservation Project		700			103,046	103,746
Water Reclamation Fac. - Palo Alto				183,987		183,987
Hetch Hetchy Water Project					5,483	5,483
San Felipe Division - Reach 1			186,138	209,306	34,226	429,670
San Felipe Division - Reach 2			76,804	23,265	9,885	109,954
San Felipe Division - Reach 3			146,326	337,034	31,180	514,540
Monitoring Well Inspection/Sealing				1,898,010		1,898,010
Small Equipment Replacement		8,000				8,000
Source of Supply - General			360,663	336,997		697,660
As-Built Drawings			23,495			23,495
Almaden Dam & Reservoir		71,188				71,188
Anderson Dam & Reservoir		3,669,385	66,817			3,736,202
Coyote Dam & Reservoir	26,201	41,768	11,817			79,786
Guadalupe Dam & Reservoir		109,001				109,001
Lexington Dam & Reservoir	30,622					30,622
Total	$121,539	7,381,494	886,241	10,327,374	540,473	19,257,121

RAW WATER TRANSMISSION & DISTRIBUTION

BACKGROUND INFORMATION

The Raw Water Transmission and Distribution Cost Center is the second of five cost centers within the Water Utility Enterprise. This Cost Center contains all expenditures relating to the distribution of raw water. The distribution system consists of pipelines, canals and percolation ponds and includes the use of creek systems.

SUMMARY BY PROGRAM

	Actual 1984-85	Approved 1985-86	Requested 1986-87	Final 1986-87
Planning	$ 154,707	231,333	25,265	25,265
Construction	6,366,453	4,379,256	11,544,816	11,690,727
Maintenance	1,028,922	1,330,346	1,343,245	1,382,905
Operations	701,200	1,185,725	1,422,301	1,422,301
Administration	9,638	22,183	35,530	35,530
	$8,260,920	7,148,843	14,371,157	14,556,728

Planning Program

Funds budgeted in this program are for various analyses and planning reports related to the distribution of raw water. The $25,265 budgeted reflects a $206,068 decrease over the preceding year.

Calero Pipeline $20,174

This project will provide funds for the completion of an Engineer's Report and Environmental Impact Report for a pipeline to extend the terminus of the Cross Valley Pipeline to the Almaden Valley Pipeline near the base of Calero Dam.

Evergreen Distribution System $5,091

This project consists of liaison with the City of San Jose and local water users relative to alternative systems for delivering water to irrigation customers.

Construction Program

This program provides for the acquisition or construction of new physical assets and substantial improvement to the life or value of existing physical assets. The budgeted amount of $11,544,816 includes the following projects:

Facility Maintenance Standard - Allocated $84,498

Please see explanation on Page 4.

Central Pipeline $820,057

This provides funds to acquire land for location of corrosion control rectifiers on the pipeline and to install cathodic protection.

Meter Test Facility $333,536

This provides funds to design and construct a flamable chemical storage building and to modify the meter test facility for testing a wider range of production meters.

Almaden Valley Pipeline $240,475

This provides for the design, construction, and installation of an additional telemetry cable along a portion of the pipeline. It also includes the Water Utility's portion of the maintenance of the revegetation completed in 1984-85.

Calero Pipeline $6,139,100

This provides for the design and construction of the pipeline to extend from the terminus of the Cross Valley Pipeline to a connection with the Almaden Valley Pipeline near of Calero Reservoir.

Control System Raw Water $1,463,220

This project will provide for the replacement and expansion of the raw water distribution system controls to interface to the Federal Water Project.

Coyote - Alamitos Canal $1,409,460

This project provides for completing a joint study and the abandonment of this project in cooperation with the City of San Jose.

Main Avenue Percolation System $540,761

This provides funds to design and construct a turnout and pipeline from the federal Santa Clara Conduit.

Penitencia Percolation System $143,200

This provides funds for a participating agreement with the City of San Jose to develop the Penitencia Creek Park Chain.

Small Equipment Replacement $10,000

This project provides for the replacement of equipment which is not included by the Replacement Appropriation.

Santa Teresa Force Main $245,580

This project provides funds for the required construction activities, contract administration and inspection of the project, which is the raw water connection between the Almaden Valley Pipeline and the Santa Teresa Water Treatment Plant.

Maple Avenue Recharge Facility $260,840

This project provides for funds for the purchase of lands for recharge facilities in the Llagas Subbasin.

Maintenance Program

Funds budgeted in this program reflect a $52,599 increase compared to the preceding year. It includes funds ($11,966) for minor modifications to the Vasona Pump Station, routine maintenance in the cost center ($1,347,444), and devising a plan to update as-built drawings ($23,495).

Operations Program

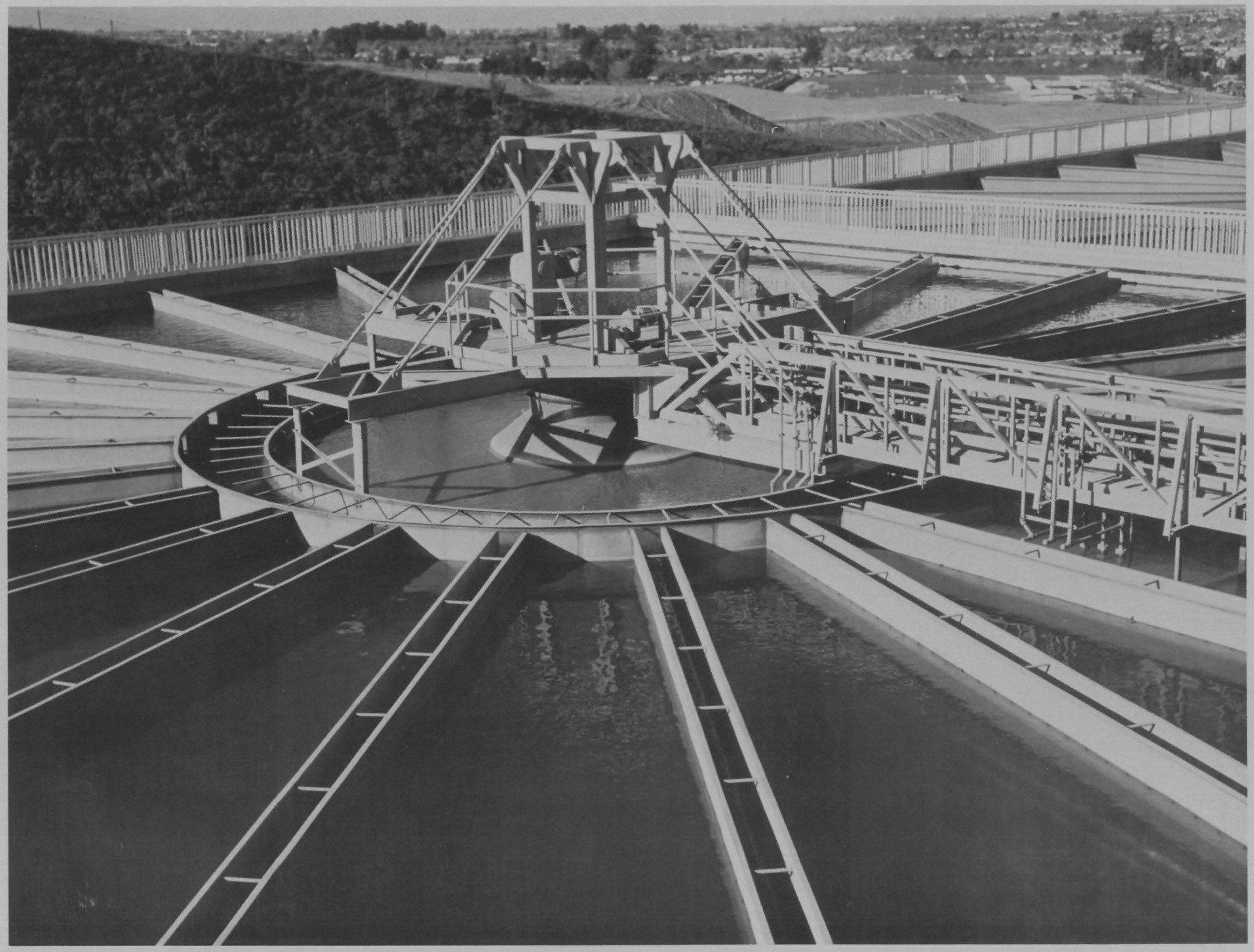
Funds budgeted in this program reflect a $236,576 increase compared to the preceding year. The funds provide for routine operation of the Raw Water Distribution System, Land Use Review, Land Ownership Management. Also included is an ongoing evaluation of ways to improve the performance of existing percolation facilities.

Administration Program

This program includes Insurance and Cost Center Support Projects. The amount budgeted is a $13,347 increase over the preceding year, and the direct result of increased insurance premiums.

PROGRAM SUMMARY BY PROJECT

Project	PROGRAM Planning	Construction	Maintenance	Operations	Administration	Project Totals
Land Use Review	$			27,956		27,956
Technical Services				10,845		10,845
Insurance					27,000	27,000
Cost Center Support Project					8,530	8,530
Facility Maintenance Std. Allocated		84,498		83,443		167,941
Central Pipeline		820,057				820,057
Meter Test Facility		333,536	11,966			345,502
Almaden Valley Pipeline		240,475				240,475
Calero Pipeline	20,174	6,139,100				6,159,274
Raw Water Control System		1,463,220				1,463,220
Coyote-Alamitos Canal		1,409,460				1,409,460
Evergreen Distribution System	5,091					5,091
Main Avenue Percolation System		540,761				540,761
Penitencia Percolation System		143,200				143,200
Small Equipment Replacement		10,000				10,000
Raw Water T&D-General			1,347,444	1,300,057		2,647,501
As-Built Drawings			23,495			23,495
Santa Teresa Force Main		245,580				245,580
Maple Ave Recharge Facility		260,840				260,840
Total	$ 25,265	11,690,727	1,382,905	1,422,301	35,530	14,556,728



WATER TREATMENT

BACKGROUND INFORMATION

The Water Treatment Cost Center is the third of five cost centers in the Water Utility Enterprise. This Cost Center contains all expenditures associated with the treatment of water at the Rinconada Water Treatment Plant and the Penitencia Water Treatment Plant.

SUMMARY BY PROGRAM

	Actual 1984-85	Approved 1985-86	Requested 1986-87	Final 1986-87
Planning	$ 659,808	170,000	271,120	271,120
Construction	259,289	47,255,883	6,006,605	6,019,868
Maintenance	1,491,359	1,752,559	1,731,683	1,731,683
Operations	3,137,331	3,550,928	3,679,273	3,679,273
Administration	18,148	37,300	74,600	74,600
Total	$ 5,565,935	52,766,670	11,763,281	11,776,544

Planning Program

This program provides funds for one study. The budgeted amount, $271,120 is to continue examining alternative means of controlling THM formations at the water treatment plants including but not limited to the use of consultants.

Construction Program

This program provides funds for the acquisition or construction of new physical assets and substantial improvement to the life or value of existing physical assets. The amount budgeted, $6,019,868 is a $41,236,015 decrease over the preceding year. The program includes the following projects:

Facility Maintenance Standard - Allocated $194,011

Please see explanation on page 4.

Penitencia Water Treatment Plant $1,664,231

This provides funds to purchase and install specific equipment to be used in the project. It also provides funds to select and purchase equipment to mechanically dewater sludge.

Santa Teresa Water Treatment Plant $358,481

This project provides funds for central administration during construction of the plant and associated sludge disposal facilities.

Rinconada Water Treatment Plant $3,016,684

This provides funds to purchase and install new upgraded chemical feed systems. It also provides funds to select and purchase equipment to mechanically dewater sludge.

Control System Upgrade $774,461

This project provides funds to complete design and perform assembly and installation of system upgrades for both the Rinconada Plant and the treated water transmission and delivery system. Seventy percent (70%) of the total cost is allocated to this cost center.

Small Equipment Replacement $12,000

This project provides for the replacement of equipment in this Cost Center which is not included in the Replacement Appropriation.

Maintenance Program

Funds budgeted in this program provide for normal maintenance requirements within the Cost Center. The budget of $1,731,683 is a slight decrease from the preceding year. It also provides funds to make the necessary modifications at both plants so they will function during and after a moderate to major local earthquake. Also, there will be a continued geotechnical monitoring program to evaluate landslide activity at Penitencia. This project also includes funds to devise a plan to update as-built drawings.

Operations Program

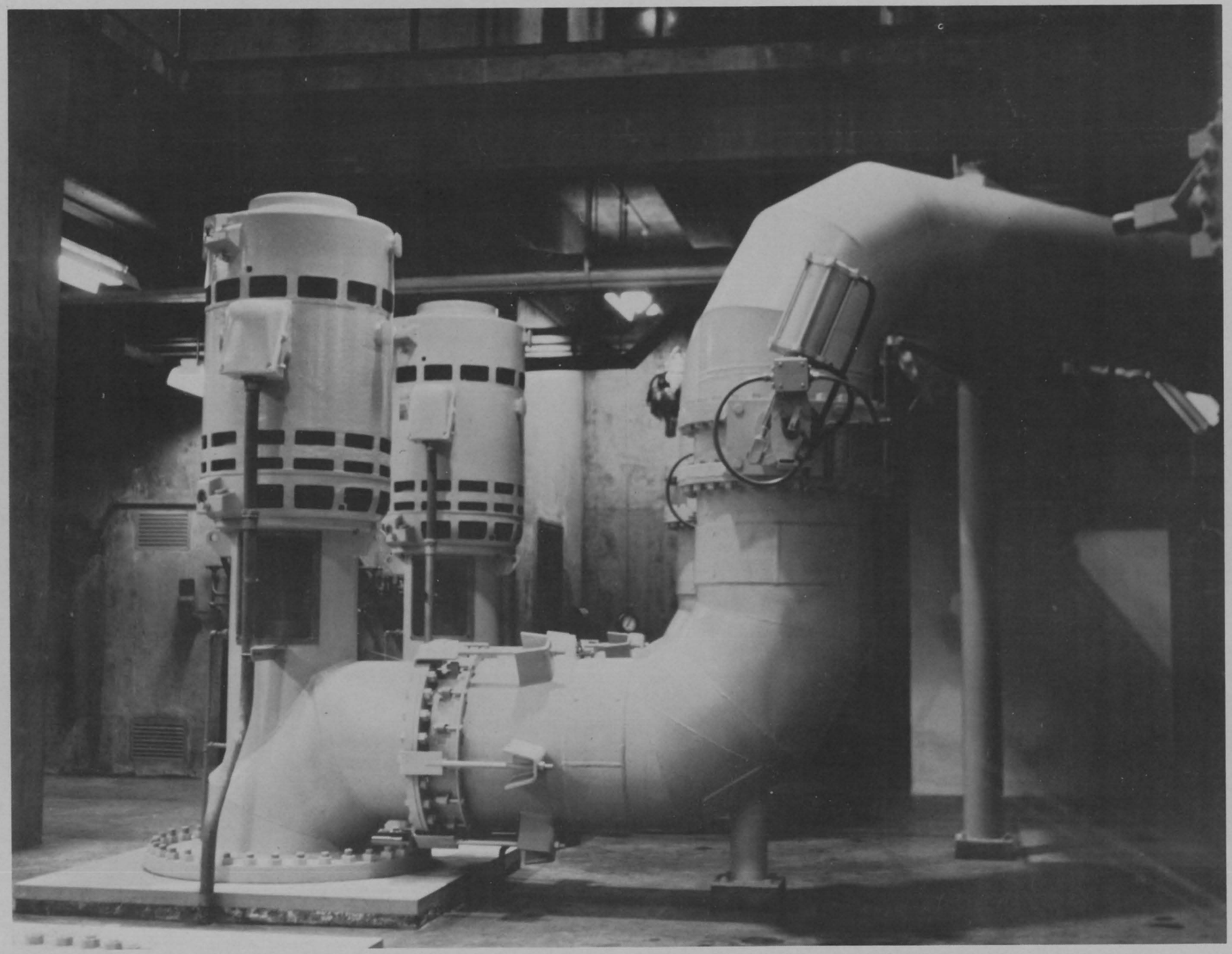
The $3,679,273 budgeted in this program provides for the routine operation of two water treatment plants. The increased cost over the preceding year is the primary result of staffing up for the new treatment plant.

Administration Program

This program contains funds only for the District's prorata share of liability insurance.

PROGRAM SUMMARY BY PROJECT

Project	PROGRAM					Project Totals
	Planning	Construction	Maintenance	Operations	Administration	
Study on Use of Trihalomethanes Control	$271,120					271,120
Insurance					74,600	74,600
Facility Maintenance Std. Allocated		194,011				194,011
Penitencia Water Treatment Plant		1,664,231	118,794			1,783,025
Santa Teresa Water Treatment Plant		358,481				358,481
Rinconada Water Treatment Plant		3,016,684	43,112			3,059,796
Control System Upgrade		774,461				774,461
Small Equipment Replacement		12,000				12,000
Water Treatment - General			1,546,282	3,679,273		5,225,555
As-Built Drawings			23,495			23,495
Total	$271,120	6,019,868	1,731,683	3,679,273	74,600	11,776,544



TREATED WATER TRANSMISSION & DISTRIBUTION

BACKGROUND INFORMATION

The Treated Water Transmission and Distribution Cost Center is the fourth of five cost centers within the Water Utility Enterprise. This Cost Center contains all expenditures relating to the distribution of treated water to water utilities and includes costs associated with the treated water reservoirs, pumping systems, pipelines and turnouts.

SUMMARY BY PROGRAM

	Actual 1984-85	Approved 1985-86	Requested 1986-87	Final 1986-87
Planning	$ 403,634		245,752	245,752
Construction	420,478	21,817,245	13,783,935	13,789,354
Maintenance	186,402	262,619	282,006	282,006
Operations	220,665	248,565	652,622	652,622
Administration	6,271	14,569	27,842	27,842
	$1,237,450	22,342,998	14,992,157	14,997,576

Planning Program

Mountain View Distributary — $113,376

This provides funds to prepare an Engineer's Report and an Environmental Impact Report for this treated water pipeline.

Milpitas Pipeline — $132,376

This provides funds to prepare an Engineer's Report and an Environmental Impact Report for this treated water pipeline.

Construction Program

This program provides for the acquisition or construction of new physical assets and substantial improvement to the life or value of existing physical assets. The budgeted amount of $13,789,354 includes the following projects:

Facility Maintenance Standards - Allocated — $14,524

Please see explanation on Page 4.

Santa Teresa Tunnel $176,217

This provides funds for the administration of the construction contract for the tunnel and Snell Pipeline connection. Construction is scheduled to be completed in 1988.

Control System Upgrade $331,920

This provides funds for 30% of the west side treated water control system upgrade. The other 70% is in the water treatment cost center.

Small Equipment Replacement $6,000

This project provides for the replacement of equipment in this Cost Center which is not included in the Replacement Appropriation.

Greystone Pump Station $19,947

This is a reimburseable project for the benefit of the San Jose Water Company. It will be constructed on the Santa Teresa Water Treatment Plant site.

Greystone Pipeline $12,804

This provides funds for contract administration during construction of the pipeline. It is the treated water link between the Santa Teresa Water Treatment Plant and San Jose Water Company's existing distribution system. It will be paid for by the San Jose Water Company.

Snell Pipeline $13,227,942

This provides funds for design and preparation of final plans and specifications and construction of Stage II of the pipeline to convey treated water between the Santa Teresa Water Treatment Plant and the existing East Pipeline.

Maintenance Program

Funds budgeted for this program provide for usual maintenance requirements within the Cost Center. It also provides funds to devise a plan for updating as-built drawings. This budget is $19,387 higher than the preceding year.

Operations Program

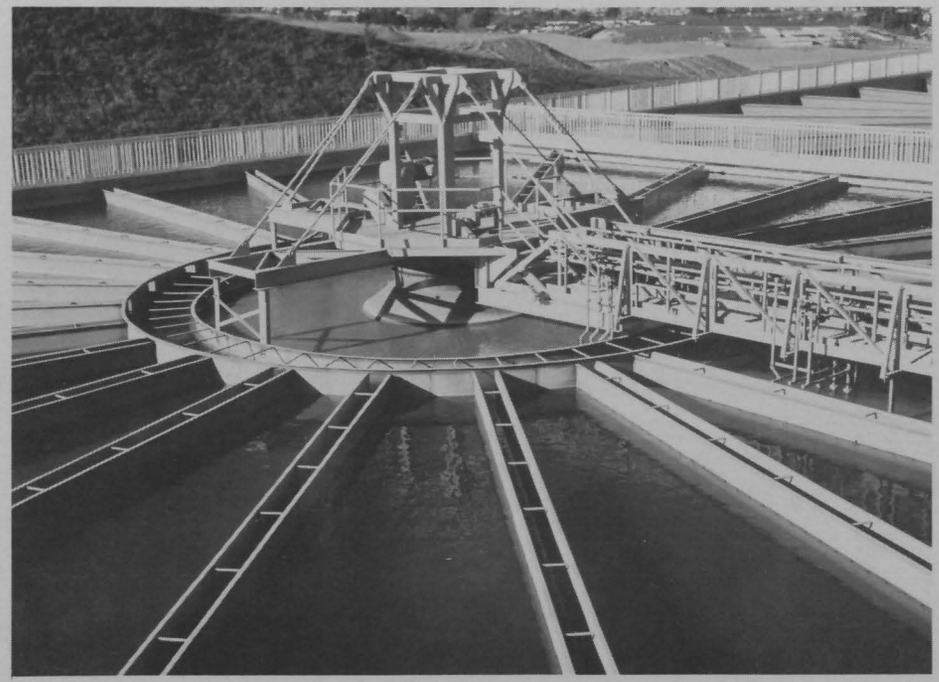
Funds budgeted in this program provide for routine operation of the Treated Water Distribution System. This budget is $404,057 higher than the preceding year. The increase is primarily the result of new personnel requests to operate the expanded facilities.

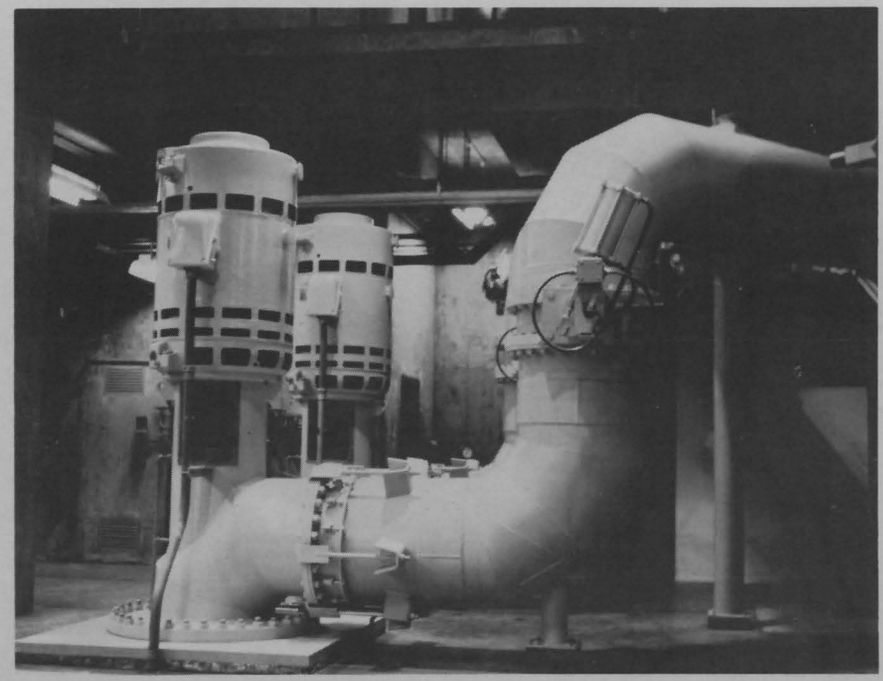
Administration Program

This program includes the Insurance and Cost Center Support Projects. On a comparative basis, this program has increased $13,273 over the preceding year as a primary result of insurance premiums increases.

PROGRAM SUMMARY BY PROJECT

Project	PROGRAM					Project Totals
	Planning	Construction	Maintenance	Operations	Administration	
Land Use Review	$			11,531		11,531
Technical Services				1,839		1,839
Insurance					26,000	26,000
Cost Center Support Project					1,842	1,842
Facility Maintenance Std. Allocated		14,524				14,524
Santa Teresa Tunnel		176,217				176,217
Mountain View Distributary	113,376					113,376
Milpitas Pipeline	132,376					132,376
Control System Upgrade		331,920				331,920
Small Equipment Replacement		6,000				6,000
Treated Water T&D - General			258,511	639,252		897,763
As-Built Drawings			23,495			23,495
Greystone Pump Station		19,947				19,947
Greystone Pipeline		12,804				12,804
Snell Pipeline		13,227,942				13,227,942
Total	$245,752	13,789,354	282,006	652,622	27,842	14,997,576





ADMINISTRATION AND GENERAL

BACKGROUND INFORMATION

The Administration and General Cost Center is the fifth and final Cost Center in the Water Utility Enterprise. It contains all expenditures of an administrative nature which cannot be properly assigned to one of the other four cost centers. Work performed in this Cost Center covers items such as the collection of groundwater charges, financial and cash flow studies, annual reports and general water management planning.

SUMMARY BY PROGRAM

	Actual 1984-85	Approved 1985-86	Requested 1986-87	Final 1986-87
Planning	$ 584,585	1,050,992	1,164,578	1,104,886
Construction	3,956	2,351,315	534,530	2,564,530
Maintenance Operations	464,478	652,487	802,112	802,112
Administration	254,505	305,080	517,666	535,377
	$1,307,524	4,359,874	3,018,886	5,006,905

Planning Program

Funds budgeted in this program are $59,692 more than the preceding year. Planning projects are:

Study of Laboratory Needs — $113,498

This project provides funds to evaluate the District's present and future laboratory needs. Primary and secondary water treatment standards have expanded to such a degree that this study is absolutely essential.

Financial and Cash Flow Study — $137,257

This project consists of evaluating the effects on the financial position of the District's Water Utility Enterprise as a result of future expenditures for operations, maintenance and expansion. It also provides funds for the preparation of the Annual Financial Analysis of the Water Utility.

Annual Water Supply Balance — $31,681

This project provides for the continuing analysis of water conditions of the preceding year and the preparation of a report summarizing these findings. The analysis consists of an overall hydrologic balance to determine the net surplus or deficit in groundwater supply and changes in storage. Also included is information on subsidence, saltwater contamination, water quality and summaries of wastewater reclamation project operations.

Water Reclamation Studies $5,091

This project primarily supports the District's ongoing review and evaluation of other reclamation projects.

Water Resources Master Planning $450,699

This project consists of a continuing review of the projected water needs of the various sources of supply including reclaimed water and of the optimization of the distribution of the total supply to meet both quantity and quality needs.

Water Quality Studies $366,660

This project contains the general studies related to water quality being performed by the District. It is composed of several parts: a) short term problem related studies, b) special studies needed to enhance water quality and, c) specific studies related to protection of groundwater quality which may be jeopardized by hazardous materials contamination. Also includes liaison activities with local, state, and federal agencies, business, community, professional organizations and the public involved with water quality concerns.

Construction Program

Funds budgeted in this program in the amount of $2,564,530 are for equipment needed to provide safe and efficient operations of the Meter Test Facility at Vasona and for the construction of hydrogeneration systems on Kirk/Page Turnouts and near Anderson Dam.

Operations Program

Funds budgeted in this program provide for field surveillance of groundwater and surface water facilities, operation of the meter test facility, and meter testing and repair activities. It also provides for the collection of surface and groundwater quality data and for the monitoring of depth to groundwater in the various groundwater basins. The amount budgeted for this fiscal year is $802,112 compared to $652,487 in the preceding fiscal year. Materials for testing are included in the amount of $50,000. Also, $50,000 has been budgeted for drilling monitoring wells required to evaluate toxic leaks. Staff and temporary help are included to register wells in the South County.

Administration Program

This program includes Insurance, Cost Center Support, and Water Revenue Collection Projects. The amount budgeted for this fiscal year is $535,377 which represents a $230,297 increase compared to the preceding year. A portion of the insurance premium ($250,000) is included in this program to balance out the estimated requirement of total premiums. The remainder of the increase is for requested new positions to administer new wells and water production.

PROGRAM SUMMARY BY PROJECT

Project	PROGRAM					Project Totals
	Planning	Construction	Maintenance	Operations	Administration	
Technical Services	$			1,083		1,083
Study of Laboratory Needs	113,498					113,498
Insurance					250,000	250,000
Cost Center Support Project					28,676	28,676
Water Revenue Administration					256,701	256,701
Water Use Measurement		23,900		553,730		577,630
Financial and Cash Flow Study	137,257					137,257
Annual Water Supply Balance	31,681					31,681
Water Reclamation Studies	5,091					5,091
Kirk/Page Hydrogeneration System		265,671				265,671
Water Quality Control				187,864		187,864
Groundwater Level Monitoring				59,435		59,435
Water Resources Master Planning	450,699					450,699
Water Quality Studies	366,660					366,660
Anderson Hydrogeneration System		2,274,959				2,274,959
Total	$1,104,886	2,564,530		802,112	535,377	5,006,905

DISTRICT

DIRECT COSTS

GOVERNMENTAL PROGRAM

FIXED ASSETS

DISTRIBUTED EXPENSES

ADMINISTRATION PROGRAM

SERVICES AND SUPPLIES

The District Cost Center Budget is presented in two parts. The first contains the budget for Directs Costs. Direct Costs consist of the Governmental Program and Fixed Assets. The second part contains the budget for Distributed Expenses. Distributed Expenses consist of the Administration Program and Services and Supplies.

The primary source of revenues to support the Direct Costs of the District Cost Center is an allocation from the Countywide tax levy.

The District Cost Center can make loans to other cost centers with the approval of the Board of Directors. The Board has authorized a $2.2 million loan to the South Zone. The loan provides advanced funding for the PL566 Project. Claims are submitted to the State Department of Water Resources periodically and a 90% reimbursement is remitted back to the District within 90 days. The remaining 10% withheld by the State is paid upon completion of a detailed audit. The South Zone Revenue Summary includes the maximum amount approved. Subsidiary financial records provide the controls to assure that this amount is never exceeded. Correspondingly, the District Fund shows a Loan Appropriation Outlay for the same $2.2 million.

REVENUE SUMMARY

	Actual 1984-85	Approved 1985-86	Requested 1986-87	Final 1986-87
Balance Beginning of Year	$2,984,072	3,944,658	2,509,663	2,855,905
Revenue Sources				
Property Taxes	1,010,918	1,189,051	1,383,470	1,306,019
Interest	360,077	320,000	218,400	240,240
Loan Repayment	1,268,311		2,200,000	2,200,000
Other	14,153	70,000	60,000	60,000
Total Revenue Sources	2,653,459	1,579,051	3,861,870	3,806,259
Total Available	$5,637,531	5,523,709	6,371,533	6,662,164

OUTLAY SUMMARY

	Actual 1984-85	Approved 1985-86	Requested 1986-87	Final 1986-87
Governmental Program	$ 596,463	894,415	1,183,475	1,183,475
Fixed Assets	537,393	1,232,353	896,573	1,201,073
Loan to Zone	216,561	684,765	2,200,000	2,200,000
Inter Fund Loan Appropriation		2,612,176	1,991,485	1,977,616
Contingency Appropriation		100,000	100,000	100,000
Total Appropriated	1,350,417	5,523,709	6,371,533	6,662,164
Balance End of Year	4,287,114			
Total	$ 5,637,531	5,523,709	6,371,533	6,662,164

Projects within the Governmental Program are those which cannot be readily identified with Flood Control or Water Utility Cost Centers. They can be categorized as general type projects which support Districtwide activities. Proposed appropriations for fiscal year 1986-87 have increased $289,060 compared to the preceding year. A comparative summary of expenditures can be found on Exhibit 1, page 66. Projects included in the Governmental Program are:

Basic Data Collection $387,964

This project provides for the continuing collection, storage and publication of basic data such as precipitation, streamflow quantities, tide elevations, reservoir storage, evaporation and items of a similar nature. This project also provides for contract services for a consultant hydrologist to examine and qualify the existing precipitation and streamflow data base.

Flood Insurance Liaison Study $46,073

This project provides for the continuing liaison with the cities and County relative to their participation in the National Flood Insurance Program and for dissemination of general information to all concerned with the program. The District works with local communities in the development of land use criteria in the floodplain areas and in the review of flood insurance rate studies.

Insurance Project $253,744

This project provides the labor and an allocated portion of the reasonable retention and excess coverage premiums necessary to manage the District's Risk Management Program.

Basic Hydrology $98,397

This is a continuing service oriented project that uses hydrologic data to develop methods, techniques, and other water related information for use in flood control and water supply activities. Funds are provided to acquire the in-house ability to utilize the continuous hydrologic simulation method in addition to existing District hydrologic methods.

Directors' Fees and Expenses $85,400

This project provides for the per diem fees and expenses of the District's Board of Directors.

Legal Projects $74,210

This project provides for the legal services of the District and for other legal costs which cannot be directly related to a specific scope of work in the Flood Control or the Water Utility Cost Centers.

Public Education $60,909

This project provides for a Districtwide program of public information and education. Activities include: preparation of information, displays, brochures, periodic publications for internal and external informational use, providing for tours of District facilities, conducting liaison work with film production, advertising, graphics and contract services related to the District's overall public information requirements, providing public information advice and consultation to District organizational units and to provide written and graphic communication to others.

District Headquarters and Facilities $89,876

This project provides funds to develop a long-range master plan for the expansion of the Almaden complex.

Records Management System $69,574

This project will provide labor to develop and maintain a records management system which will allow rapid retrieval of resources, cross indexing, security for valuable photos, drawing and files, and maintenance of the system.

Environmental Analysis $17,328

This project provides for review and formal comment on environmental impact reports submitted to the District by outside agencies and general support of environmental impact report activities such as the review and preparation of District environmental impact report guidelines, procedures and community informational meetings relative to the District's environmental impact report process. Also provided is an evaluation and comparison of the impacts of selected major construction projects that occur after completion of the project. It also provides time for staff to determine current accord with CEQA interpretations.

Fixed Assets

Fixed Assets purchased from the District Cost Center are used to support Districtwide activities as a whole. They are the type of expenditure that cannot be identified with or purchased from the funds of any other cost center. Proposed appropriations for fiscal year 1986-87 have decreased $31,280 compared to the preceeding year. A comparative summary of expenditures can be found on Exhibit 2, page 67. Items included in Fixed Assets are:

Land $23,000

These funds will be used to buy small parcels necessary to construct streamflow stations for Basic Data gathering.

Structures and Improvements $289,835

These funds will be used for completion change orders and inspection of the vehicle storage building, relocation of the garbage bin, and the new Maintenance Building and construction of a new roof.

Office Equipment $51,750

Budgeted funds provide for the acquisition and/or replacement of typewriters plus the acquisition of a postage meter, copy machines, time clocks, diablo printer with sheet feeder, lenses for microfilmer, Canon PC Printer with tables, Kodak pack and form tractor.

Automotive Equipment $164,800

The budgeted funds will provide new additions to include two station wagons, four sedans, a water truck, two vans, a three-quarter ton pickup truck, and two light utility trucks.

Communications Equipment $82,650

These funds will be used to negotiate the lease purchase for an AT&T System 75 Telephone, 20 mobile radios, a VHF beeper system, two pagers, and intercom system for Vasona Pump Station, and a radio system to communicate with County Office of Emergency Services.

Hydrologic Equipment $39,885

These funds are for the purchase of four Sierra Misco reporting radio precipitation gages, seven Sierra Misco reporting streamflow gages, two spare tide transmitters, remote station tester, frequency counter and a repeater conversion kit.

Water Measuring Equipment $52,500

This account includes funds for 35 meters.

Other Equipment $69,600

Items of equipment budgeted are: an electric cart to replace 15 year old unit, Wild NA2 Automatic Level, a Ritron transceiver, a two-man rubber raft, a hydraulic grapple hook for the crane truck, a brake drum vacuum system, a sidemounted flail mower, a loader backhoe, an irrigation control remote, a parts clean solvent tank, a high pressure washer, two portable emergency eye wash units, a refrigerator/freezer, a microwave oven, a VCR and support equipment, pull down projection screen, a large scale county wall map, a slide projector, three data monitors and tuner, portable interupter for corrosion control monitoring, digital electrical and electronic gaging equipment and meteorlogical equipment replacement.

Office Furniture $197,138

The account provides for various desks, chairs, tables, file cabinets, bookcases to replace worn out office furniture, office partitions, four micro film cabinets, a slide cabinet, secretarial work stations and four computer work stations, and equipment for personnel assigned to the fuel tank leak project.

Computer Equipment $229,915

The budgeted amount provides for a desk top publishing system, two CRT terminals, an Apple McIntosh PC, annual payment on Burroughs A459 equipment, XE520 tape streamer, XE520 storage processor, XE520 E5437D 37.5 megabite disk, six IBM PC's with peripherals, one B28 system, six B26 RAM memory upgrades, a B25 graphics module, five on-line Burroughs terminals, a tape cleaning machine, a printer sould cover, a 132 print position printer, two micro-computers with peripherals, an RGB color monitor, annual payments on lease-purchase agreements on H-P CADD Systems and Holguin Software, three H-P workstations and H-P E-Size plotter, calcomp digitizing tablet, H-P six-pen plotter, a planimeter and plotter, two non-interuptable power source, three Wyse or equivalent and a hostess board.

EXHIBIT 1

SUMMARY OF GOVERNMENTAL PROGRAM PROJECTS

PROJECT	Actual 1984-85	Approved 1985-86	Requested 1986-87	Final 1986-87
Basic Data Collection	$289,273	383,218	387,964	387,964
Flood Insurance Liaison Study	18,948	28,746	46,073	46,073
X-Valley Level Circuit	-	3,432		
Insurance Project	15,791	115,343	253,744	253,744
Basic Hydrology	47,038	97,746	98,397	98,397
Directors' Fees and Expenses	56,276	65,400	85,400	85,400
Legal Projects	63,628	63,056	74,210	74,210
Public Education	75,112	57,168	60,909	60,909
District Headquarters and Facilities	2,594	52,738	89,876	89,876
Records Management System	19,676	19,380	69,574	69,574
Environmental Analysis	8,127	8,188	17,328	17,328
Program Total	$596,463	894,415	1,183,475	1,183,475

EXHIBIT 2

SUMMARY OF FIXED ASSET ACCOUNTS

ACCOUNT		Actual 1984-85	Approved 1985-86	Requested 1986-87	Final 1986-87
1200	Land	$		23,000	23,000
1300	Structures & Improvements	25,625	580,262	91,835	289,835
1401	Office Equipment	71,887	223,840	51,750	51,750
1402	Automotive Equipment	147,900	75,600	124,800	164,800
1403	Communications Equipment	1,248	80,000	82,650	82,650
1404	Hydrologic Equipment	29,064	38,150	39,885	39,885
1405	Water Measuring Equipment	20,806	14,500		52,500
1406	Other Equipment	52,206	8,700	69,600	69,600
1407	Office Furniture	35,881	28,521	183,138	197,138
1408	Computer Equipment	152,776	182,780	229,915	229,915
Total		$537,393	1,232,353	896,573	1,201,073

Distributed Expense is an overhead cost. Overhead consists of the District Cost Center's Administration Program and its Services and Supplies accounts. These expenditures are reimbursed by applying Distributed Expense as an overhead rate to all District labor charged to work performed in other cost centers. Since all costs are reimbursed, expenditures for Distributed Expense do not reduce the revenues of the District Cost Center. Government Code Section 29089 titles this type of expense as Expenditure, Transfers and Reimbursements.

SUMMARY BY PROGRAM

	Actual 1984-85	Approved 1985-86	Requested 1986-87	Final 1986-87
Administration Program	$6,734,582	7,293,034	7,927,284	8,135,279
Services and Supplies	1,155,972	1,388,814	1,816,082	1,816,082
Total Expenditures	$7,890,554	8,681,848	9,743,366	9,951,361

Administration Program

Administration Program expenditures are those which support Districtwide activities and therefore cannot be charged directly to another cost center or fund. A comparative summary of expenditures can be found on Exhibit 3, page 73. Projects included in the Administration Program for 1986-87 are:

Sick Leave, Vacation, etc. $1,934,283

This project includes all time chargeable to Sick Leave, Industrial Accidents, Comp Time Used, Vacation, Holidays, Jury Duty, Bereavement Leave, Personal Leave, Military Leave, and approved Leave with Pay.

Ordinance Administration $26,853

This project provides for labor necessary to prepare manuals, standards and design aids to assist in the enforcement and application of Ordinance 83-2. The budgeted amount also provides for investigation and resolution of violations to Ordinance 83-2 and to prepare materials to generate public awareness of potential violations.

Cost Center Support Project $657,293

This project provides for all chargeable time to District Administrative work which cannot be directly related to Flood Control or a Water Utility Cost Center but rather has a benefit to the District as a whole. The following is a list of functions usually found within this project: Personnel Education and Training, Personnel Recruitment, Budget Preparation, Meetings, Administrative Analysis, Updating of Manuals, Personnel Safety, and Geographic Names Study.

General Services $219,834

This project provides for District labor spent in general activities such as purchasing, reproduction and printing services, equipment and materials inventory, building maintenance administration and messenger services.

Finance Services $241,174

This project provides financial services for all areas of the District, including Flood Control Zones, Water Utility Enterprise, general governmental activities, revenue, payroll, investments and the Equipment Working Capital Fund. Budget compilation and analyses are also performed in this project.

Secretarial Services $730,980

This project provides for the secretarial and clerical services for the entire District. This includes personnel records, reception services, library services, filing, mail distribution, maintenance of minutes for committees and the Board of Directors, dictation, typing, word processing and other general secretarial services.

Management Project $400,875

This project provides for work performed by various management personnel of the District.

Data Processing - Engineering and Scientific $12,698

This project includes the labor for cost estimating, analysis, development, programming, testing, documentation and training to support engineering and scientific computer applications.

Data Processing - Business, Administrative and Commercial $211,087

This project provides for the analysis, design, programming, debugging, operations and maintenance of all commercial data processing applications that are of general benefit to the entire District.

Computer Systems Analysis $32,481

This project consists of analysis and/or programming for systems support of the District's computer configurations and of operations.

Data Processing Operations $120,136

This project provides for data processing operations required by and associated with the in-house computer facility. This includes the computer operator, data entry operations, and associated supervisory and technical support for the entire system.

District Headquarters and Facilities $178,640

This project provides for the labor of District employees required to maintain the Administration and Maintenance Headquarters buildings, the Almaden Yard, and other maintenance yard facilities.

Employee Benefits $3,368,945

This project provides for funding the employee health insurance, long-term disability, dental insurance, basic life insurance, medical insurance reimbursement, medi-care coverage, and retirement program through the Public Employees' Retirement System.

Services and Supplies

Services and Supplies purchased from the District Cost Center are used to support Districtwide activities as a whole. They are of the type that cannot be identified with or purchased directly from funds of any other cost center. The costs of Services and Supplies are, however, recovered as applied overhead. A comparative summary of expenditures can be found on Exhibit 4, page 74. Items included in Services and Supplies for 1986-87 are:

Communications $98,500

This account provides for all telephone service at the Almaden Complex and the installation of telephone cabling to connect computer terminals and telemetry equipment

Insurance - Workers' Compensation $181,030

This account includes premiums for Workers' Compensation Insurance. The experience rating modification is set at 92 percent of premium computed at basic or scheduled levels.

Insurance - Other $12,000

This account includes premiums for property insurance for Administration Headquarters and Maintenance Buildings and contents, miscellaneous tools, and non-owned aircraft insurance.

Unemployment Insurance $7,500

This account provides for the cost of unemployment insurance, including administrative services.

Maintenance Services $348,982

This account provides for the contractural agreements and services required for drafting and survey equipment maintenance, maintenance of audio-visual equipment, mobile radio equipment, janitorial services, fire extinguisher and alarm service, pest control service, elevator maintenance, furniture refurbishing, office and copying machine maintenance, air-conditioning and heating maintenance, alterations to the Administration Building, maintenance of the Burroughs computer equipment, contract maintenance of building and grounds, and replacement of redwood facility signs. This account does not include time spent by District employees.

Materials and Supplies $115,540

This account includes funding for supplies for keypunch equipment, lumber, paint, steel pipe, welding supplies, masonry supplies, field survey materials and maintenance requirements for maintaining and alterations to the Administration and Maintenance Headquarters, and the Almaden Yard.

Memberships $18,413

This account includes funding to provide for various professional and technical memberships in associations which relate to the functions of the District.

Office Expense - General Supplies $73,945

This account includes drafting supplies, notebooks, binders, pencils, graph paper, tab cards, labels, library supplies, computer paper, computer diskettes, drafting supplies, printer ribbons, and other supplies of a general nature.

Office Expense - Reproduction Supplies $25,496

This account includes paper and operating supplies for the various copy machines, bindery supplies, and supplies used for the blueprint machine.

Office Expense - Printing and Binding $34,900

This account provides for outside printing of personnel announcements and brochures; budget divider pages; general business forms, such as letterhead, envelopes, business cards, purchase orders, and requisitions necessary for operation of the District, payroll and general fund checks; W-2 forms; map reproduction; and general printing and binding that cannot be performed by District facilities.

Office Expense - Postage $30,800

This account provides funding for metered mail, miscellaneous postage and United Parcel Service.

Contract Services - Auditing $2,000

This account provides for the District's share of the annual audit fee of financial transactions. This is the first year of a new three-year contract.

Contract Services - Data Processing $129,415

This account provides for computer services which cannot be supplied by the current in-house capability. Included are programming services and analysis, keypunch services to provide for vacations and unusual backlogs, acquisition of software programs of a minor nature and data communications handler maintenance for software systems.

Contract Services - Other $261,576

Budgeted amounts provide for pre-employment physicals and placement testing, graphic arts service, claims service for unemployment compensation, microfilming, updating of the evaluation of the District's buildings and contents, security services for the Administration Building, after hours availability of District cafeteria services, microfiche services, the underground service alert program, smog certification for equipment mechanics, temporary help and software consultant services. In addition, funds are also budgeted for special personnel studies and Washington, D.C. representation.

Publication Fees and Legal Notices $15,500

This account is to provide for recruitment advertising and miscellaneous legal advertising and notices.

Lease Expense - Equipment $29,400

Requested funding provides for the lease of equipment to be used with the Burroughs computer system, duplicating machines, rental of equipment to be used for maintenance of the Administration and Maintenance Buildings and Grounds rental of portable sanitation facilities and the rental of office space in Gilroy.

Small Tools and Instruments $31,340

This account is to provide for general small tools and instruments required by the District.

Special Expense - Education $64,955

This account provides for tuition fees, textbooks and supplies for educational courses, seminars, conferences, and training programs.

Special Expense - Other $96,300

This account provides for the acquisition of publications, library documents, and employee awards as well as for procurement of film, microfilming county records, and other photographic processing. This account also includes, for this year, funds to update planimetrics and aerial photos which are 10 years old and funds for history books.

Transportation and Travel - Lodging/Meals $73,490

This account provides funding for authorized travel by the staff while on District business. The budgeted amount also includes lodging and meal expenses.

Utilities $165,000

This funding is to provide utilities at the Almaden Complex. Budgeted amounts include funding for water, gas, electricity, disposal and dump charges, standby charges, and sewer service and use charges.

EXHIBIT 3

SUMMARY OF ADMINISTRATION PROGRAM PROJECTS

PROJECT	Actual 1984-85	Approved 1985-86	Requested 1986-87	Final 1986-87
Sick Leave, Vacation, etc.	$1,492,862	1,683,182	1,845,903	1,934,283
Ordinance Administration	12,224	22,617	26,853	26,853
Cost Center Support Project	563,240	526,788	657,293	657,293
General Services	185,360	211,994	219,834	219,834
Finance Services	225,835	241,956	241,174	241,174
Secretarial Services	575,778	656,641	709,806	730,980
Management Project	364,792	357,832	400,875	400,875
DP - Engineering & Scientific			12,698	12,698
DP - Business Admin. and Com'l.	144,979	129,075	211,087	211,087
Computer Systems Analysis	39,748	28,768	32,481	32,481
Data Processing Operations	90,057	84,162	120,136	120,136
District Headquarters & Fac.	140,747	146,892	178,640	178,640
Employee Benefits	2,898,960	3,203,127	3,270,504	3,368,945
Total	$6,734,582	7,293,034	7,927,284	8,135,279

SUMMARY OF SERVICES AND SUPPLIES ACCOUNTS

	ACCOUNT	Actual 1984-85	Approved 1985-86	Requested 1986-87	Final 1986-87
6100	Communication	$ 99,965	115,000	98,500	98,500
6510	Insurance-Workers' Comp.	70,228	173,826	181,030	181,030
6520	Insurance-Other	6,000	6,000	12,000	12,000
6530	Unemployment Insurance	643	7,500	7,500	7,500
7200	Maintenance-Services	225,679	289,411	348,982	348,982
7400	Materials and Supplies	67,881	101,095	115,540	115,540
7700	Memberships	16,366	17,906	18,413	18,413
7810	Office Expense-General Supplies	52,263	74,260	73,945	73,945
7820	Office Exp.-Repro. Supplies	24,909	25,275	25,496	25,496
7830	Office Exp.-Printing & Binding	29,566	32,660	34,900	34,900
7840	Office Expense-Postage	29,490	28,600	30,800	30,800
8020	Contract Services-Auditing		1,100	2,000	2,000
8030	Contract Services-DP	19,177	34,924	129,415	129,415
8060	Contract Services-Other	123,098	116,720	261,576	261,576
8100	Publication Fees & Legal Notices	6,729	9,300	15,500	15,500
8420	Lease Expense-Equipment	16,277	23,390	29,400	29,400
8600	Small Tools & Instruments	33,366	28,640	31,340	31,340
8710	Special Expense-Education	30,179	41,975	64,955	64,955
8730	Special Expense-Other	106,655	58,617	96,300	96,300
9110	Trans. & Trav.-/Lodg./Meals	63,611	70,615	73,490	73,490
9300	Utilities	133,890	132,000	165,000	165,000
Total		$1,155,972	1,388,814	1,816,082	1,816,082

SERVICE FUND

EQUIPMENT WORKING CAPITAL FUND

REVENUE SUMMARY

	Actual 1984-85	Approved 1985-86	Requested 1986-87	Final 1986-87
Balance Beginning of Year	$1,193,489	921,351	1,005,420	942,125
Revenue Sources				
Equipment Rental	919,674	971,228	1,128,801	1,102,866
Interest	116,885	68,000	58,800	64,680
Sale of Equipment	7,157	32,500	30,000	30,000
Total Revenue Sources	1,043,716	1,071,728	1,217,601	1,197,546
Total Available	$2,237,205	1,993,079	2,223,021	2,139,671

OUTLAY SUMMARY

	Actual 1984-85	Approved 1985-86	Requested 1986-87	Final 1986-87
Operating Expenses	$ 712,520	944,851	912,290	912,290
Equipment Purchase	243,127	407,175	377,550	377,550
Total Expenditures	955,647	1,352,026	1,289,840	1,289,840
Inter-Fund Adjustment		48,334	54,380	54,380
Replacement Appropriation	1,281,558	542,719	828,801	745,451
Contingency Appropriation		50,000	50,000	50,000
Total Appropriated	$2,237,205	1,993,079	2,223,021	2,139,671

BACKGROUND INFORMATION

The Equipment Working Capital Fund was established for the purpose of maintaining, operating and replacing three types of mobile equipment owned by the District. Type I Equipment consists of sedans and pickup trucks, Type II Equipment consists of heavy-duty trucks and Type III Equipment consists of heavy-operating equipment such as bulldozers, draglines and other similar types of equipment used for maintenance of District projects. Class IV items include, but are not limited to jack hammers, chain saws, power drills, etc.

The Equipment Working Capital Fund is self-supporting with all replacement and maintenance costs being charged by preestablished rates to all projects in the various cost centers. The expenses of the equipment Working Capital Fund are recovered by a mileage rate charged on Type I Equipment and hourly rate charged for Types II and III Equipment.

Equipment Purchase

This Section reflects the cost of all replacement items. The budgeted amount of $377,550 provides for the replacement of the various classes of equipment shown below. The necessary funding is provided by current revenue, supplemented by amounts accumulated for the replacement of equipment items. The items listed for replacement have been selected on the basis of accumulated mileage, obsolescence and planned needs of the District.

Class I Equipment — $164,950

Class I Equipment items scheduled for replacement consist of: six compact sedans, one 4x4 utility vehicle, one 4x4 1/2 ton pickup, five light utility pickups and one 3/4 ton pickup.

Class II Equipment — $143,000

Items in this class scheduled for replacement include: one welding truck, one valve repair truck, one crewcab truck, one transport truck, a trailer and the replacement value of a water truck being upgraded.

Class III Equipment — $34,900

Class III equipment items scheduled for replacement consists of: one backhoe load unit, being upgraded.

Class IV Equipment — $34,700

Class IV items which will need replacing are: pumps, chainsaws, weed eaters, generators and a mower.

Operating Expense

The Operating Expense Section of the Equipment Working Capital Fund provides for insurance, materials and supplies, and District labor to service and maintain all equipment items within the fund.

SUMMARY OF EQUIPMENT PURCHASE AND OPERATING EXPENSE

	Actual 1984-85	Approved 1985-86	Requested 1986-87	Final 1986-87
Equipment Purchase				
Class I	$ 93,026	189,800	164,950	164,950
Class II	136,061		143,000	143,000
Class III		195,000	34,900	34,900
Class IV	14,040	22,375	34,700	34,700
Operating Expense	712,520	993,185	966,670	966,670
Total Purchase and Expense	$955,647	1,400,360	1,344,220	1,344,220